

The Gazette of India

EXTRAORDINARY

PART II—Section 3—Sub-section (ii)

PUBLISHED BY AUTHORITY

NO. 308] NEW DELHI, SATURDAY, SEPTEMBER 29, 1962/ASVINA 7, 1884

MINISTRY OF LABOUR AND EMPLOYMENT

NOTIFICATION

New Delhi-2, the 22nd September 1962

S.O. 3031.—In pursuance of sub-section (1) of section 17 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby publishes the following award of the National Industrial Tribunal, Bombay, in respect of the industrial dispute referred to the said Tribunal by the Order of the Government of India, in the Ministry of Labour and Employment, No. S.O. 707, dated the 21st March, 1960.

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL (BANK DISPUTES) AT
BOMBAY

REFERENCE No. 2 OF 1960

In the matter of the dispute between the Reserve Bank of India and its workmen being Class II and Class III staff and between the Reserve Bank of India and its workmen being Class IV staff specified in Schedules I and II respectively to the Order No. S.O. 707, dated the 21st March 1960 of the Government of India in the Ministry of Labour and Employment.

PRESENT

The Honourable Shri Justice Kantilal T. Desai, Presiding Officer of the National Industrial Tribunal (Bank Disputes), Bombay (now Chief Justice of the High Court of Gujarat).

APPEARANCES

As in Appendix B.

INDUSTRY: Banking.

Dated 8th September, 1962.

A W A R D

CHAPTER I

INTRODUCTORY

1.1. By a Notification bearing No. S.O. 704, dated New Delhi, the 21st March 1960, the Central Government in exercise of the powers conferred by section 7B of the Industrial Disputes Act, 1947, constituted a National Industrial Tribunal with headquarters at Bombay and appointed me as the Presiding Officer of the Tribunal.

1.2. By an order bearing No. S.O. 707, dated New Delhi, the 21st March 1960, the Central Government being of the opinion that an industrial dispute existed between the Reserve Bank of India and its workmen in respect of the matters specified in Schedules I and II thereto which were either matters in dispute or matters connected with or relevant to the said dispute and that the dispute involved a question of national importance and being further of the opinion that the dispute should be adjudicated by a National Tribunal, in exercise of the powers conferred by sub-section (1A) of section 10 of the Industrial Disputes Act, 1947, referred the said dispute to this National Tribunal for adjudication. Schedule I to the said order specifies 22 matters between the Reserve Bank and its workmen, being Class II and Class III staff. Schedule II to the said order specifies 23 matters between the Reserve Bank and its workmen being Class IV staff. A copy of the said order will be found in Appendix A.

1.3. It took some time to set up the secretariat of the Tribunal. On 20th May 1960 a preliminary informal meeting was held at which representatives of the Reserve Bank and the workmen's organisations attended. At that meeting the wishes of those who attended in connection with the filing of the statements of claim and the filing of the written statement to such statements of claim were ascertained. Requisite notices were served upon the parties concerned requiring the workmen to file their statements of claim on or before 10th June 1960 and requiring the Reserve Bank to file its written statement in reply to such statements of claim on or before 11th July 1960 and fixing the hearing of the reference on 23rd July 1960.

1.4. On 24th May 1960 the All India Reserve Bank 'D' Class Employees' Union (hereinafter referred to as "the Union") on behalf of the employees of the Reserve Bank of India belonging to Class IV staff filed an application, being Miscellaneous Application No. 1 of 1960, for the grant by way of interim relief to Class IV employees of the Reserve Bank of India 25 per cent. of the total emoluments with a minimum of Rs. 25 with effect from 1st January 1958. On 25th May 1960, the All India Reserve Bank Employees' Association (hereinafter referred to as "the Association") on behalf of the employees of the Reserve Bank of India belonging to Class II and Class III staff filed an application being Miscellaneous Application No. 3 of 1960 for the grant of 25 per cent. of the basic pay by way of interim relief to all the employees of the Reserve Bank of India with effect from July 1959. The award of this Tribunal in connection with the aforesaid applications will be found in Appendix C.

1.5. On 13th June 1960, the All India Reserve Bank Employees' Association filed a statement of claim on behalf of workmen belonging to Class II and Class III staff of the Reserve Bank of India. On 14th June 1960, the All India Reserve Bank 'D' Class Employees' Union filed a statement of claim on behalf of the workmen belonging to Class IV staff of the Reserve Bank of India. On 30th July 1960, the Reserve Bank of India filed its written statement in reply to the statements of claim filed by the All India Reserve Bank Employees' Association and the All India Reserve Bank 'D' Class Employees' Union.

1.6. On 2nd March 1961 the All India Reserve Bank Employees' Association filed Miscellaneous Applications Nos. 9 and 10 of 1961 for the issue of Commissions for recording the evidence of the Honourable Shri G. L. Nanda, Minister for Labour and Employment, Government of India, Shri S. A. Dange, a member of the Lok Sabha and Shri S. R. Vasavada, the General Secretary of the Indian National Trade Union Congress, Ahmedabad. On 7th March 1961, this Tribunal issued a Commission to the District Judge, Delhi for examination *viva voce* of the Honourable Shri G. L. Nanda and Shri S. A. Dange, and directed that the Commission should return by 24th April 1961. The Tribunal also issued a commission to the District Judge, Ahmedabad for examination *viva voce* of Shri S. R. Vasavada in

similar terms. In order that the proceedings of the Tribunal may not be delayed, liberty was given to all the parties to join in the Commission and directions were given that any party seeking to examine any witness must give notice to all the other parties about that party's intention to do so four days before such witness was examined. The Commissioner appointed by the District Judge, Delhi, examined Shri S. A. Dange on Commission at Delhi. The Commissions were returned unexecuted in respect of the other witnesses.

1.7. On 18th April 1961, the All India Reserve Bank Employees' Association made an application for permission to file an additional statement of claim, dated 15th of April 1961. On the said permission being granted, the additional statement of claim was filed. On 28th October 1961, the Reserve Bank of India filed its written statement in reply to the additional statement of claim filed by the All India Reserve Bank Employees' Association.

1.8. On 11th May 1961 the All India Reserve Bank Employees' Association submitted a statement of claim on behalf of Class IV employees of the Bank at Bangalore, Hyderabad, Patna, Gauhati, Ahmedabad, Ludhiana and Jaipur, stating that Class IV employees at the above offices of the Bank were members of the Association, that it had become necessary to file a statement of claim on their behalf, that the All India Reserve Bank 'D' Class Employees' Union had already submitted a statement of claim in respect of Schedule II of the reference and that the Association adopted the said statement of claim. I have allowed the same to be filed. As the demands made by the Association on behalf of Class IV staff are the same as those made by the Union, I have for the sake of convenience treated the demands made by the Association on behalf of Class IV staff as if the same were made by the Union. Every reference in this Award to the demands made by the Union should be deemed to be a reference to similar demands made on behalf of Class IV staff by the Association and the Award in connection with the demands made by the Union should be deemed to be the Award in respect of similar demands made on behalf of Class IV staff by the Association.

1.9. I had before me another reference, being Reference No. 1 of 1960 in the matter of disputes between 84 banking companies and corporations and their workmen in connection with categorisation of banks and areas for the purpose of adjudication, scales of pay, dearness allowance, house rent allowance and other allowances, provident fund, gratuity, leave rules, hours of work and several other matters. It was decided that the hearing of the present reference should commence after the hearing in Reference No. 1 of 1960 was over. The hearing of the said reference was concluded on the 4th of October 1961. Thereafter, the hearing of the present reference commenced on the 9th of October 1961. Several arguments urged at great length in reference No. 1 of 1960 were adopted for the purpose of this reference and the hearing of this reference was concluded on the 8th of January 1962. Thereafter, the time of the Tribunal was mainly taken up in connection with the preparation of the award in the aforesaid Reference No. 1 of 1960 where the record was very heavy. The award in the said reference was made on the 7th of June 1962. Thereafter, further time of the Tribunal was taken up mainly in connection with the preparation of the award in another reference, being Reference No. 3 of 1960 in connection with disputes concerning bonus between 73 banking companies and their workmen. The award of the Tribunal in that reference was given on 21st July 1962. Immediately thereafter the work of drafting the award in the present reference was taken in hand.

CHAPTER II

GENESIS OF THE DISPUTE

2.1. Before I deal with the merits of the matters which have been referred to me for adjudication, I will briefly refer to the background of the present dispute. The Reserve Bank of India came into being on 1st April 1935. It was established under the Reserve Bank of India Act, 1934. In the preamble to the Act, it has been stated that it was expedient to constitute a Reserve Bank for India to regulate the issue of Bank notes and the keeping of reserves with a view to securing monetary stability in India and generally to operate the currency and credit system of the country to its advantage. By section 3 of the Act, it is provided that a bank to be called the Reserve Bank of India shall be constituted for the purposes of taking over the management of currency from the Central Government and of carrying on the business of banking in accordance with the provisions of the Act. It is further provided that the Bank shall be a body corporate by the name of the Reserve Bank of India, having perpetual succession and a common seal. At

its inception, the Bank issued shares to the public, but under the Reserve Bank (Transfer to Public Ownership) Act of 1948, the share capital held by the public was transferred to the Government of India. The Government of India now holds the entire share capital of the Bank. By section 7 of the Act, it is provided that the Central Government may from time to time give such directions to the Bank as it may, after consultation with the Governor of the Bank, consider necessary in the public interest. By that section, it is further provided that subject to any such directions, the general superintendence and direction of the affairs and business of the Bank shall be entrusted to a Central Board of Directors which may exercise all powers and do all acts and things which may be exercised or done by the Bank. By section 20 of the Act, the Bank is under an obligation to accept monies for account of the Central Government and to make payments upto the amount standing to the credit of its account and to carry out its exchange, remittance and other banking operations, including the management of the public debt of the Union. Under section 22, the Bank is given the sole right to issue bank notes in India. By section 23, it is provided that the issue of bank notes shall be conducted by the Bank in an Issue Department which shall be separated and kept wholly distinct from the Banking Department, and the assets of the Issue Department shall not be subject to any liability other than the liabilities of the Issue Department as defined later in the Act. By section 40, it is provided that the Bank shall sell to or buy from any authorised person who makes a demand in that behalf at its office in Bombay, Calcutta, Delhi or Madras or at such of its branches as the Central Government may, by order, determine, foreign exchange at such rates of exchange and on such conditions as the Central Government may from time to time by general or special order determine, having regard so far as rates of exchange are concerned to its obligations to the International Monetary Fund, subject to the proviso that no person shall be entitled to demand to buy or sell foreign exchange of a value less than two lakhs of rupees. There are provisions in the Act relating to the keeping of cash reserves by Scheduled Banks with the Reserve Bank upto the extent mentioned therein. Under section 45, save as provided by sub-section 2 thereof, the Bank is under an obligation, unless otherwise directed by the Central Government with reference to any place, to appoint the State Bank as its sole agent at all places in India where it does not have an office or branch of the Banking Department and there is a branch of the State Bank or a branch of a subsidiary bank. The Bank is under an obligation to establish and maintain a fund known as the "National Agricultural Credit (Long Term Operations) Fund". It is also under an obligation to establish and maintain a fund known as the "National Agricultural Credit (Stabilisation) Fund". By section 47 it is provided that after making provision for bad and doubtful debts, depreciation in assets, contributions to staff and superannuation funds and for all other matters for which provision is to be made by or under the Act or which are usually provided for by bankers the balance of the profits shall be paid to the Central Government. Under section 48 the Bank is exempt from payment of income-tax and super-tax on any of its income, profits or gains. Under section 54, the Bank is under an obligation to create a special Agricultural Credit Department, the functions of which are to maintain an expert staff to study all questions of agricultural credit and be available for consultation by the Central Government, State Governments, State Co-operative Banks and other banking organisations, and to co-ordinate the operations of the Bank in connection with agricultural credit and its relations with State Co-operative Banks and any other banks or organisations engaged in the business of agricultural credit. The Bank is authorised to carry on and transact several kinds of business, specified in section 17, which include the accepting of money on deposit without interest from, and the collection of money for the Central Government, the State Governments, local authorities, banks and any other persons; the purchase, sale and rediscount of bills of exchange and promissory notes drawn on and payable in India and arising out of bona fide commercial or trade transactions bearing two or more good signatures, one of which shall be that of a scheduled bank or a State Co-operative Bank and maturing within ninety days from the date of such purchase or rediscount exclusive of days of grace; the purchase, sale and rediscount of bills of exchange and promissory notes bearing two or more good signatures, one of which shall be that of a scheduled bank or a State Co-operative Bank and drawn or issued for the purpose of financing seasonal agricultural operations or the marketing of crops, and maturing within fifteen months from the date of such purchase or rediscount, exclusive of days of grace; the purchase, sale and rediscount of bills of exchange and promissory notes drawn and payable in India and bearing two or more good signatures, one of which shall be that of a State Co-operative Bank or a State Financial Corporation and drawn and issued for the purpose of financing the production or marketing activities of cottage and small scale industries approved by the Bank and maturing within twelve months from the date of such purchase or rediscount exclusive of the days of grace, provided that the payment of the principal and

interest of such bills of exchange or promissory note is fully guaranteed by the State Government; the purchase, sale and re-discount of bills of exchange and promissory notes drawn and payable in India and bearing the signature of a scheduled bank and issued or drawn for the purpose of holding or trading in securities of the Central Government or a State Government and maturing within ninety days from the date of such purchase or rediscount, exclusive of days of grace, the making to local authorities, scheduled banks, State co-operative banks and State Financial Corporations established under the State Financial Corporations Act, 1951, of loans and advances repayable on demand or on the expiry of fixed periods not exceeding ninety days against certain securities; the purchase, sale and rediscount of bills of exchange including treasury bills drawn in or in any place in any country outside India which is a member of the International Monetary Fund, subject as therein provided; the making of loans and advances to Warehousing Corporations established under the Agricultural Produce (Development and Warehousing) Corporations Act, 1956, as therein provided; the making to the Central Government and the State Governments of advances repayable in the manner therein provided; the purchase and sale of securities of the Central Government and the State Governments of any maturity or of such securities of local authority as may be specified in that behalf by the Central Government on the recommendation of the Central Board and the purchase and sale of shares in, or the capital of, the State Bank or any other bank or financial institution notified by the Central Government in this behalf.

2.2. Under the Banking Companies Act, 1949, the Reserve Bank is entitled, whenever it is necessary or expedient in the public interest so to do, to determine the policy in relation to advances to be followed by banking companies generally or by any banking company in particular and to give directions to banking companies, either generally or to any banking company or a group of banking companies in particular, as to the purposes for which advances may or may not be made, the margins to be maintained in respect of secured advances and the rates of interest to be charged on advances. By section 22 of that Act it is provided that save as therein mentioned, no company shall carry on banking business in India unless it holds a licence issued in that behalf by the Reserve Bank and any such licence may be issued subject to such conditions as the Reserve Bank may think fit to impose. By various provisions contained in the Act, the banking companies are required to file various returns in the prescribed form with the Reserve Bank of India. Under section 35, the Reserve Bank is empowered at any time and when directed by the Central Government, is under an obligation to cause an inspection to be made by one or more of its officers of any banking company and its books and accounts and to make a report on such inspection. Under section 35A, where the Reserve Bank is satisfied that in the public interest or to prevent the affairs of any banking company being conducted in a manner detrimental to the interests of the depositors or in a manner prejudicial to the interests of the banking company, or to secure the proper management of any banking company generally, it is necessary to issue directions to banking companies generally or to any banking company in particular it may, from time to time, issue such directions as it deems fit, and the banking companies or the banking company, as the case may be, shall be bound to comply with such directions. Under Section 36, the Reserve Bank is entitled to caution or prohibit banking companies generally or any banking company in particular against entering into any particular transaction or class of transactions, and generally give advice to any banking company. It is further provided that the Reserve Bank may, on a request by the companies concerned and subject to the provisions of section 44A, assist, as intermediary or otherwise, in proposals for the amalgamation of such banking companies or give assistance to any banking company by means of the grant of a loan or advance to it under clause (3) of sub-section (1) of section 18 of the Reserve Bank of India Act, 1934. There are various other powers given to the Reserve Bank in connection with banking companies.

2.3. What is stated above is sufficient to show that the Reserve Bank of India is primarily established to discharge certain public functions and duties. It may be called in a sense a bankers' bank. Its primary function is to regulate the monetary system of the country so as to promote the maintenance of economic stability and to assist the growth of the economy within the framework of the general economic policy of the Government. It is a regulator of credit. The Bank has an important role to play in the maintenance of the exchange value of the rupee in view of the close inter-dependence of international trade and national economic growth and well-being. The Bank performs a variety of developmental and promotional functions. The Bank collects data on the operations of commercial and co-operative banks, on balance of payments, company and Government finances and security

markets and the statistics and the analyses based on them are published periodically in the Bank's publications.

2.4. There are various departments of the central office of the Reserve Bank. The principal departments are the following:— The Secretary's Office, the Chief Accountant's Office, the Inspection Department, the Legal Division, the Exchange Control Department, the Department of Banking Development, the Industrial Finance Department, the Agricultural Credit Department, the Department of Banking Operations and the Department of Research and Statistics. Several regional offices of the Bank in India have two main departments, namely, the Banking Department and the Issue Department.

2.5. The majority of workmen of the Reserve Bank are employed in the offices of the Reserve Bank at Bombay, Calcutta, New Delhi, Madras and Kanpur. The central office of the Bank is situate at Bombay while the other offices in India are situate at Calcutta, New Delhi, Madras, Kanpur, Bangalore, Nagpur, Lucknow, Hyderabad, Gauhati, Trivandrum, Patna, Ahmedabad, Ludhiana, Jaipur and Indore. As stated by the All India Reserve Bank Employees' Association, the Bank has about 9,500 employees drawn from all the four categories of staff distributed roughly as follows:—

Bombay	3,300
Calcutta	1,800
New Delhi	1,100
Madras	1,100
Kanpur	600
Bangalore	300
Nagpur	450
Lucknow	240
Hyderabad	150
Gauhati	125
Trivandrum	100
Patna	100
Ahmedabad	35
Ludhiana	50
Jaipur	35
Indore	30

The offices at Bombay, Calcutta, New Delhi, Madras and Kanpur account for about 7,900 employees.

2.6. During the second world war, there was a rise in prices of commodities which caused considerable hardship to persons having a fixed income. Efforts were made by various organisations to improve the living conditions of workmen. In the year 1946, representations were made by the Association for revision of pay-scales and allowances of the employees of the Reserve Bank. The Reserve Bank, after holding discussions with the representatives of the Association, revised the pay-scales and allowances of the employees with effect from 1st April 1946. Disputes arose at diverse places in India between some other banks and their workmen, and awards were given by various tribunals in connection therewith. Banks having branches at numerous places in India became subject to the provisions of different awards in different places. In respect of industrial disputes which existed between certain banking companies and their workmen, Shri Justice Harsidhbhai Divatia gave his award dated 8th April 1947. In the month of September 1947, the Reserve Bank revised the rate of dearness allowance payable to its workmen with effect from 1st July 1947. In the month of July 1948, the Reserve Bank again revised the dearness allowance payable to Class III and Class IV staff with effect from 1st July 1948. As a result of the demands made by the Association, the Reserve Bank, in the month of October 1948, revised the pay-scales from 1st April 1948. The Government of India, having realised the necessity of dealing with the disputes in the banking industry on an all-India

basis, the Industrial Disputes (Banking and Insurance Companies) Ordinance, 1949 was promulgated on 30th April 1949, whereunder a banking company was defined to mean a banking company as defined in section 5 of the Banking Companies Act, 1949, having branches or other establishments in more than one Province and as including the Imperial Bank of India. By clause (4) of that Ordinance it was provided that notwithstanding anything contained in any other law, it would not be competent for a Provincial Government or any officer or authority subordinate to such Government, to refer an industrial dispute concerning any banking or insurance company or any matter relating to such dispute, to any tribunal or other authority for adjudication, enquiry or settlement. The aforesaid Ordinance was thereafter replaced by the Industrial Disputes (Banking and Insurance Companies) Act, 1949. On 13th June 1949, in exercise of the powers conferred by section 7 of the Industrial Disputes Act, 1947, the Central Government constituted an Industrial Tribunal consisting of Shri K. C. Sen, a retired Judge of the High Court of Judicature at Bombay, as Chairman and two other retired High Court Judges as Members for the adjudication of the industrial disputes in banking companies. On the same day, the Central Government, in exercise of the powers conferred by clause (c) of sub-section (1) of section 10 of the Industrial Disputes Act, 1947, as it then stood, referred the disputes between numerous banking companies and their employees for adjudication by the said Tribunal. After considerable labour and industry the aforesaid Tribunal gave its award on 31st July 1950. Thereafter, the Association submitted to the Reserve Bank a charter of demands. The Union also submitted its charter of demands. In the meantime, some of the banks challenged the decision of the Sen Tribunal before the Supreme Court. As stated by the Reserve Bank in its written statement, on receipt of the charter of demands, the position was examined by the Reserve Bank but no decision could be arrived at in view of the pendency of the proceeding before the Supreme Court, and it advised the Association that changes could not be considered until the Supreme Court had disposed of the appeal. On 9th April 1951, the Supreme Court of India declared the Sen Award as being void and inoperative for technical reasons relating to the constitution of the tribunal. The Association thereafter asked for some relief in the form of house allowance and increased dearness allowance. The Association as well as the Union applied to the Government of India for reference of their demands for adjudication and threatened that if the Government failed to intervene by the end of June 1951, the two organisations proposed to serve on the Bank a notice of strike. The Government of India at that time did not refer the dispute for adjudication on the ground that in the larger interests of the country the claim for increased wages by employees should be held in abeyance for some time to ensure that the economic policy adopted in the budget of that year had a fair chance of success. In the month of June 1951, the Reserve Bank of India gave an *ad hoc* increase of Rs. 5 per month in the dearness allowance to all employees drawing pay upto Rs. 250, effective from 1st September 1950. In the month of November 1951, the Reserve Bank of India granted a special compensatory allowance on the following basis:—

1. Employees drawing basic pay upto and including Rs. 250 per month. 10 per cent of pay with a minimum Rs. 5 per month.
2. Other Class III staff 5 per cent of pay with a minimum of Rs. 20 per month.

The Bank extended the benefit of the local allowance at the rate of 10 per cent, of pay with a minimum of Rs. 10 to the staff at Delhi and Ahmedabad. The Bank granted a special compensatory allowance of 10 per cent. of pay with a minimum of Rs. 5 per month to Class IV staff and extended the local allowance of Rs. 10 to Class IV staff at Delhi and Ahmedabad. The aforesaid changes were effective from 1st September 1950.

2.7. By a notification dated 5th January 1952, the Central Government constituted an Industrial Tribunal consisting of Shri S. Panchapagesa Sastry, a retired Judge of the High Court of Judicature at Madras, as Chairman and Shri M. L. Tannan and Shri V. L. D'Souza as members. The said Tribunal is hereinafter referred to as "the Sastry Tribunal". On the same day, the Central Government referred to the Sastry Tribunal for adjudication disputes relating to numerous banks and their workmen. The Sastry Tribunal gave its award in the month of March 1953. The said award is hereinafter referred to as "the Sastry Award". In the month of May 1953, a revised charter of demands was submitted by the Association to the Reserve Bank. In the month of July 1953, the Reserve Bank extended the local allowance granted by it to the workmen at Madras. A large number of employees and some banks being aggrieved by some of the provisions contained in the Sastry Award, filed appeals therefrom before the Labour Appellate Tribunal. In view of

the pendency of the appeals before the Labour Appellate Tribunal, the Reserve Bank, as stated by it in its written statement, "could only assure that the entire question would be reviewed on the decision of the Labour Appellate Tribunal becoming known". As there was some delay in the announcing of the decision of the Labour Appellate Tribunal, the Reserve Bank reviewed the position in the month of March 1954 and the following further concessions were given, effective from 1st January 1954:—

- (1) Local allowances admissible to staff at Bombay, Calcutta, New Delhi, Madras and Ahmedabad was converted to local pay.
- (2) 25 per cent. of dearness allowance was treated as dearness pay for superannuation benefits etc.

In the month of April 1954, the Labour Appellate Tribunal gave its decision. On 18th May 1954, the Association submitted a charter of demands relating to pay-scales and allowances. On 21st May 1954, the Union submitted a fresh statement of demands to the Bank, stating that the same had been prepared after taking into consideration the emoluments secured to similar employees in Class I banks by the award of the Labour Appellate Tribunal. The Labour Appellate Tribunal's decision gave rise to considerable misgivings in the minds of some bankers. They apprehended that the Labour Appellate Tribunal's decision would adversely affect the banking industry and that the burden imposed thereby was beyond the capacity of some of the banks and would result in the closure thereof. It was represented to Government that the impact of the decision on the banking business of the country would be very adverse and that it was not unlikely that in many cases individual units of the banking sector would be in serious jeopardy. In order to be in a position to consider this representation on merits the Government desired to collect relevant information on the subject. The Reserve Bank of India, on instructions from the Government of India, carried out a rapid survey of the possible effects of the Labour Appellate Tribunal decision on the working of some banks by way of sample. As a result of the material gathered by the Central Government, it came to the conclusion that it would be inexpedient on public grounds to give effect to the whole of the decision of the Labour Appellate Tribunal. By an order dated the 24th August 1954, the Central Government modified the Labour Appellate Tribunal's decision in certain respects. The interference of the Government with the Labour Appellate Tribunal decision raised a wave of discontent amongst the bank employees. Ultimately, on 17th September 1954, the Government appointed a one-man Commission consisting of Shri Justice G. S. Rajadhyaksha, a Judge of the Bombay High Court, to make certain enquiries and to recommend, having regard to the facts ascertained and to the need for ensuring an equitable treatment to bank employees consistent with the capacity to pay of the various classes of banking companies or individual units—

- (a) whether the Appellate Tribunal decision as modified, should be continued,
- (b) whether the Appellate Tribunal decision should be restored and if so, whether fully or in part,
- (c) whether the Appellate Tribunal decision should be enforced with any other modifications considered necessary.

Shri Justice Rajadhyaksha having died shortly after he had undertaken the burden of the Commission, the Government appointed Shri Justice P. B. Gajendragadkar, then a Judge of the Bombay High Court, in place and stead of Shri Justice Rajadhyaksha.

2.8. On or about 22nd September 1954, the Reserve Bank disclosed to the office bearers of the Association its proposals in connection with the demands that had been made by the Association. On 24th September 1954, the General Secretary of the Association addressed a letter to the Governor of the Reserve Bank in which it was stated that the All-India Council of the Association was "sorely disappointed at the basis adopted for the proposals, namely, the modification made by Government of the considered award of the Labour Appellate Tribunal" and referred to various points which arose for consideration and clarification. On 27th September 1954, the Private Secretary to the Governor of the Reserve Bank addressed a letter to the General Secretary of the Association in which it was stated as under:—

"To meet your repeated requests for an early settlement of the question of the revision of emoluments of the Bank's staff and Governor's desire to meet the wishes of the staff in this respect as far as practicable, the proposals given to you were formulated, although the dispute between other banks and their staff has not yet been finally settled. At this stage, the only basis which the Reserve Bank can adopt is the Bank Award as modified

by the Government of India. The only other course would be to await the final outcome of that dispute which is now in the hands of Justice Rajadhyaksha.

Incidentally, it may be mentioned that the Bank's proposals as they stand, are more liberal than the basic emoluments granted by the Award of the Labour Appellate Tribunal."

The Bank invited the Council's concrete comments and suggestions on the proposal to enable the fixation of a date for a conference as early as possible. The conciliation conference was held in the month of October 1954, when certain proposals were agreed to in the conciliation conference and the Governor of the Reserve Bank agreed to place them before the Central Board of the Bank. The agreed proposals were accepted by the Central Board of the Bank. The revision in the service conditions was given retrospective effect from 1st October 1953. The said agreement was to operate till the end of October 1957. In the month of November 1954, an agreement was also arrived at with the Union as regards the service conditions of Class IV staff, to be effective from 1st October 1953. It was to continue in operation till the end of November 1957. On 25th July 1955, Shri Justice P. B. Gajendragadkar made his report, making certain recommendations. The report of the Commission is hereinafter referred to as "the Bank Award Commission report". The recommendations made by the Bank Award Commission were accepted by the Government in toto and were subsequently embodied in the Industrial Disputes (Banking Companies Decision) Act, 1955. By sections 3 and 4 of that Act it was provided that the decision of the Labour Appellate Tribunal, dated 28th April 1954 would have effect as if the modifications recommended in Chapter 11 of the Bank Award Commission report had actually been made therein and that the award of the Sastry Tribunal as modified by the decision of the Labour Appellate Tribunal as further modified by the recommendations of the Bank Award Commission, would remain in force till 31st of March, 1959. In the month of July 1955, the Reserve Bank extended the provisions relating to local pay to the employees at its office at Kanpur with effect from 1st April 1955. In the month of July 1957, the Reserve Bank raised the amount of family allowance payable to Class IV staff with effect from 1st July 1957. In the month of January 1958, the Reserve Bank raised the amount of dearness allowance payable to its workmen with effect from 1st January 1958. In the month of February 1959, the dearness allowance payable to its workmen was further raised by the Reserve Bank. At the time when the last revision was made, the employees in the banks governed by the Sastry Award as modified were receiving dearness allowance payable at the average all-India working class consumer price index No. 164 in the series 1944=100, equivalent to the index figure of 119 in the series 1949=100.

2.9. During the last few years, there has been considerable expansion of banking as an industry in the country. The workmen employed in banks were dissatisfied with the conditions of service under which they were working. The 15th Indian Labour Conference which was held on 11th July 1957, laid down certain principles governing wage fixation. Expectations of workmen were aroused thereby throughout the country. The Association has been demanding a revision in the emoluments since the expiry of the agreement in October 1957. The Government of India had, in the meantime in August 1957, appointed the Pay Commission to go into the question of revision of emoluments of the Central Government employees. The Reserve Bank informed the Association that the appropriate time for undertaking a review of pay-scales etc., would be after the Pay Commission had made its recommendations.

2.10. The statutory period for the operation of the Sastry Award expired on 31st March 1959. In the month of April 1959, the All India Bank Employees' Association served notices of termination of the Sastry Award as modified, and submitted a fresh charter of demands on behalf of workmen employed in a large number of banks. The All India Bank Employees' Federation also submitted its charter of demands on behalf of the employees employed in a number of banks. The All India State Bank of India Staff Federation submitted a charter of demands on behalf of workmen employed in the State Bank of India. On 11th July 1959, the Association submitted a fresh charter of demands to the Reserve Bank, requiring revision of the entire pay structure and for improvement of certain conditions of service. It has been stated that the same has been done in accordance with the norms laid down by the 15th Indian Labour Conference. On 24th August 1959, the Second Pay Commission made its report in connection with the employees of the Central Government. In the month of September 1959, the Reserve Bank held a conciliation conference with the representatives of the Association and discussed certain outstanding items which the Association desired the Bank to consider immediately. On 18th December 1959, the Association demanded that the Bank should open negotiations on the charter of demands submitted by the

Association and settle all their outstanding disputes within a period of two months, i.e. by 17th February 1960. This demand was followed by demonstrations, processions and meetings. In its written statement the Reserve Bank has in connection with the charter of demands stated as follows:—

"It considered the charter of demands and came to the conclusion that the demands were fantastic and made in total disregard of the known and declared policy that some balance had to be preserved between the two following factors:—

- (a) that the emoluments of the Reserve Bank's employees must not be seriously out of step with those of the Central Government employees, and
- (b) the emoluments must be related to those extended to commercial bank employees.

The demands, if conceded, would have involved an increase of between 100 to 150 per cent. over the existing emoluments which were already higher than those recommended for the Government servants by the Pay Commission. Under these circumstances, the Reserve Bank referred the matter to the Government of India."

On 1st February 1960, the All India State Bank of India Staff Federation gave a notice of strike and a number of employees of the State Bank of India struck work. On 19th March 1960, the bank employees in various parts of the country struck work in support of their demands as well as in support of the employees of the State Bank of India. On 21st March 1960, this Tribunal was constituted and the disputes between 84 banking companies and their workmen relating to various matters were referred to this Tribunal for adjudication (being Reference No. 1 of 1960), and the continuance of the strike in existence in the State Bank of India was prohibited. On the same day, the Central Government made the present reference.

CHAPTER III

Item No. 1 in Schedule I

Item No. 1 in Schedule II

SCALES OF PAY, AND METHOD OF ADJUSTMENT IN SCALES OF PAY

AND

Item No. 4 in Schedule I

GRANT OF ADVANCE INCREMENTS TO GRADUATES AND THE GRANT OF INCREMENTS AND HONORARIA TO WORKMEN COMPLETING THE INSTITUTE OF BANKERS' EXAMINATION

AND

Item No. 2 in Schedule II

LOCAL PAY

AND

Item No. 3 (Part) in Schedule I

LOCAL ALLOWANCE

3.1. The existing scales of pay in the Reserve Bank for Class II staff are the following:—

1. Research Superintendents Rs. 300—25—400—E.B.—25—650.
2. Superintendents and Sub Accountants. Rs. 275—25—375—E.B.—25—500—25—650.
3. Deputy Treasurers (Bombay & Calcutta) Rs. 450—25—650.
4. Deputy Treasurer (Gauhati) Rs. 375—25—550.
5. Assistant Treasurers Rs. 300—25—450.

6. Personal Assistant to the Governor . Rs. 320—30—650.
7. Personal Assistant Rs. 325—25—550.
8. Caretakers, Grade I (Bombay and Calcutta). Rs. 275—10—325—E.B.—12½—400.
9. Staff Assistants Rs. 250—25—450—E.B.—25—650.
10. Supervisor, Premises Section, Bombay. Rs. 250—15—310—E.B.—20—550.
11. Deputy Treasurer (Hyderabad) . Rs. 350—25—500

3.2. The existing scales of pay in the Reserve Bank for Class III staff are the following:—

1. Clerk Grade II/Coin-Note Examiner, Grade II/Field Investigator/Punch Operator/Assistant Caretaker (New Delhi). Rs. 90—5—100—8—140—E. B.—10—250—
—E.B.—12½—300.
2. Clerk, Grade I/Coin-Note Examiner, Grade I. Rs. 90—5—100—8—140—E.B.—10—250—
—E.B.—12½—300 plus Special Pay Rs. 10/- p.m.
3. Compounder, Grade II Rs. 75—5—150
4. Compounder, Grade I (Bombay and Calcutta). Rs. 90—5—100—8—140—E.B.—10—250.
5. Telephone Operator, Grade II . Rs. 90—5—100—8—140—E.B.—10—250—
E.B.—12½—275.
6. Electrician, Grade II/Assistant Air-Conditioning Plant Operator. Rs. 100—8—140—E. B.—10—250.
7. Typist/Typewriter Mechanic (Bombay) Rs. 100—8—140—E. B.—10—210—E.B.
12½—310.
8. Comptometer Operator/Adrema Machine Operator (Bombay and Calcutta). Rs. 120—8—160—E.B.—10—250—E. B.—
—12½—300.
9. Tabulator Operator/Sorter Operator (Bombay). Rs. 120—8—160—E. B.—10—310.
10. Junior Draftsman (Bombay) . . . Rs. 120—10—210—E.B.—12½—310.
11. Translator Rs. 120—8—160—E. B.—10—210—E.B.—
12½—310.
12. Telephone Operator, Grade I (Bombay and Calcutta)/Electrician Grade I (Bombay). Rs. 120—10—190—E. B.—15—310.
13. Stenographer, Grade II Rs. 120—10—190—E.B.—15—325.
14. Caretaker, Grade II Rs. 150—10—190—E. B.—15—310.
15. Welfare Assistant (Bombay) . . . Rs. 150—10—200—15—350.
16. Air-Conditioning Plant and Electrical Supervisor. Rs. 175—12½—325.

17. Supervisor, Machine Section/Senior Draftsman, Banking/Statistical/Central Office/Language Assistant (Bombay) and Economic Assistant, Field Inspector, (Bombay). Rs. 175—12½—300—E.B.—20—440.
18. Teller Rs. 200—12½—350.
19. Stenographer, Grade I/Technical Assistant (Bombay). Rs. 200—15—320—E.B.—20—360.
20. Mechanic-cum-Operator (Nagpur) Rs. 90—5—100—8—140—E. B.—10—250—E.B.—12½—300 plus Special Pay Rs. 15/-p.m.

3.3. The existing scales of pay in the Reserve Bank for Class IV staff are the following:—

1. Peon/Mazdoor/Durwan/Liftman/Cleaner (Farash)/Van Cleaner/Khitmatgar/Mali/P.D.O. Inkman (Calcutta)/Wireman (Madras)/Assistant to Caretaker (Calcutta). Rs. 50—2—74—1—80.
2. Sweeper/Bhisti Rs. 50—2—70.
3. Air-Conditioning Plant Attendant (Bombay, New Delhi and Madras)/Sub-Station Attendant (New Delhi) Mazdoor attached to Governor's Residence at Bombay. Rs. 50—2—74—1—80 plus Special Pay Rs. 5/- p.m.
4. Head Mazdoor (Governor's Residence—Bombay). Rs. 50—2—74—1—80 plus Special Pay Rs. 10/- p.m.
5. Duftry/Jamadar, Grade III/P.D.O. Pressman (Calcutta)/Wireman (New Delhi). Rs. 60—3—90.
6. P.D.O. Compositor (Calcutta) Rs. 60—5—100.
7. Head Mazdoor Rs. 65—3—95
8. Jamadar Grade II/Gestetner Operator/Viceman. Rs. 70—3—100.
9. Record Clerk Rs. 70—3—100—E.B.—2—110.
10. Driver, Grade II Rs. 75—5—110.
11. P.D.O. Jamadar (Calcutta) Rs. 75—5—100—E.B.—5—125.
12. Jamadar, Grade I (Bombay) Rs. 70—3—100—E.B.—2—110 plus Special Pay Rs. 10/- p.m.
13. Projectionist (Bombay) Rs. 90—3—108—E.B.—4—120.
14. Driver, Grade I (Bombay and Calcutta). Rs. 90—5—140.
15. Plumber/Carpenter-cum-Mason (New Delhi). Electrician/Mistry (Bombay) Rs. 90—3—105—4—125—E.B.—5—150.
16. Inkman (Lucknow) Rs. 50—2—70.
17. Pressman (Lucknow) Rs. 60—2—80—1—85.
18. Bank Guard Rs. 50—2—74—1—80.

3.4. The existing rates of dearness allowance in the Reserve Bank are as follows:—

Class II Staff.

Pay (including Local Pay)	Amount of Dearness Allowance
Above Rs. 200 but not more than Rs. 250	Rs. 55 p.m.
Above Rs. 250 but not more than Rs. 300	Rs. 65 p.m.
Above Rs. 300 but not more than Rs. 400	Rs. 75 p.m.
Above Rs. 400 but not more than Rs. 500	Rs. 85 p.m.
Above Rs. 500 but not more than Rs. 600	Rs. 90 p.m.
Above Rs. 600 but not more than Rs. 700	Rs. 95 p.m.
Above Rs. 700	Rs. 100 p.m.

Employees drawing basic pay upto Rs. 500 are eligible for Dearness Allowance as above plus Rs. 15/- p.m.

Class III Staff.

For Pay (including Local Pay)	Present rate of Dearness Allowance
Upto Rs. 150	Rs. 60 per month.
Above Rs. 150 but not more than Rs. 200	Rs. 65 „
Above Rs. 200 but not more than Rs. 250	Rs. 75 „
Above Rs. 250 but not more than Rs. 300	Rs. 85 „
Above Rs. 300 but not more than Rs. 400	Rs. 105 „
Above Rs. 400 but not more than Rs. 500	Rs. 105 „

CLASS IV STAFF

Rs. 47 per month (flat rate)

3.5. The Bank is granting a local pay equivalent to ten per cent. of pay with a minimum of Rs. 10 per month rounded up to the next higher complete rupee, to its Class II and Class III staff at Bombay, Calcutta, Ahmedabad, New Delhi, Madras, and Kanpur. As regards Class IV employees, the local pay for these places is at the flat rate of Rs. 10 per month. Class II and Class III staff are at present entitled to family allowance, after completing five years' service (including temporary service) in the Bank at the rate of Rs. 10 per month per child up to a maximum of Rs. 30, the allowance being available to employees whose pay (including the element of local pay) plus family allowance does not exceed Rs. 550 per month. It ceases to be payable to an employee as soon as his son/daughter reaches the age of 25 and earlier if the son/daughter secures employment or, in the case of a daughter, she gets married. Class IV staff after completing five years' service (including temporary service) are entitled to family allowance of Rs. 7.50 per month per child with a maximum of Rs. 22.50. It ceases to be payable as soon as his son/daughter reaches the age of 25 and earlier if the son/daughter secures employment or, in the case of a daughter, she gets married.

3.6. The Association has claimed a revision of the aforesaid scales of pay of Class II and Class III staff. It has strongly relied upon the resolution passed at the 15th Indian Labour Conference which provides as under:—

“With regard to the minimum wage fixation it was agreed that the minimum wage was ‘need based’ and should ensure the minimum human needs of the industrial worker, irrespective of any other considerations. To calculate the minimum wage, the Committee accepted the following norms and recommended

that they should guide all wage fixing authorities, including minimum wage committee, wage boards, adjudicators, etc.:—

- (i) In calculating the minimum wage the standard working class family should be taken to consist of 3 consumption units for one earner; the earnings of women, children and adolescents should be disregarded.
- (ii) Minimum food requirements should be calculated on the basis of a net intake of 2,700 calories, as recommended by Dr. Aykroyd for an average Indian adult of moderate activity.
- (iii) Clothing requirements should be estimated at a *per capita* consumption of 18 yards per annum which would give for the average workers family of four, a total of 72 yards.
- (iv) In respect of housing the norm should be the minimum rent charged by Government in any area for houses provided under the Subsidised Industrial Housing Scheme for low income groups.
- (v) Fuel, lighting and other 'miscellaneous' items of expenditure should constitute 20 per cent. of the total minimum wage.

While agreeing to these guide lines for fixation of the minimum wage for industrial workers throughout the country, the Committee recognised the existence of instances where difficulties might be experienced in implementing these recommendations. Wherever the minimum wage fixed went below the recommendations, it would be incumbent on the authorities concerned to justify the circumstances which prevented them from the adherence to the norms laid down."

The Association has pleaded that the decisions of the 15th Indian Labour Conference were "binding on the employers not only in the private sector, but more so in the public sector" and has pleaded that the Reserve Bank of India was in duty bound to abide by the same. It has submitted that this Tribunal was bound to give effect to those decisions. It has further pleaded that the exceptions laid down had no relevance at all for the purpose of the present reference, that the Reserve Bank had ample capacity to pay and that the actual task before the Tribunal was "to arrive at a figure of a fair wage that ought to be given to the lowest cadre of employees in Class III". It is pleaded that while applying this formula in the case of middle class employees "a further arithmetical calculation will of course become necessary in determining the differential between the needs of the middle class employees and those of operatives or workers", and that taking into consideration the status of a middle class employee and his expenditure, pattern of living, habits and other relevant considerations, "the co-efficient in no case should be less than 120 per cent". The Association has claimed that the base year for the purpose of fixation of wages should be the year 1956 when the all-India working class consumer price index stood at 105 in the series 1949=100. The Association has stated that even apart from the norms laid down at the 15th Indian Labour Conference, if calculations were made in respect of the items of expenditure, in no case the figure of the minimum wage in respect of an industrial worker would go below Rs. 145/- per month at the index number of 105 in the series 1949=100, and that taking the co-efficient of 80 per cent the need-based wage for a middle class employee comes to about Rs. 250/-. It has submitted that apart from any principles of wage fixation, the Reserve Bank had committed itself to the position that "it will always pay higher wages to the employees", that in spite of assurances repeatedly given by the successive heads of the Bank, the total emoluments of employees of the Reserve Bank were less than those in A class commercial banks, that a comparison with the wages paid by some other well established companies revealed a much greater disparity and that the Reserve Bank's capacity to pay "not being a point of contention" the employees of the Reserve Bank could legitimately claim to be treated "at a higher standard in matters of emoluments than the employees of some commercial firms". The Association has demanded that in place of numerous scales of pay applicable to Class III staff and Class II staff, the various categories of employees in Class III and Class II should be regrouped as under with the following scales:—

Class III.

Group I: (a) Clerk. Coin/Note, Examiner, Compounder, Air Condition Operator, Adding Machine Operator, Record Clerk. Field Investigator—Rs. 220—10—240—12½—290—15—365—20—425—25—550 (19 years).

(Present cadre of clerks, Grade I and Coin/Note Examiner Grade I to be replaced by Assistants and Tellers respectively).

(b) Punch Operator should be paid special pay of Rs. 15 in the above scale.

- (c) Comptist, Typist, Adrema Operator, Translator, Telephone Operator, Electrician, Tabulator Operator, Sorter Operator, Machanic-cum-Operator, Assistant Air Conditioning Operator, should be paid special pay of Rs. 30 in the above scale. (Typists and Comptist should rank for seniority with Clerks). Senior Compounder, Bombay: Special pay of Rs. 50/- p.m.
- II (d) Stenographer, Assistant, Teller, Draftsman, Caretaker Grade II, Air Condition Supervisor and Machine Section Supervisor, Language/Welfare/Technical Assistant, Field Inspector—Rs. 325—20—425—25—650 (14 years).

Class II.

- (a) Superintendent, Assistant Treasurer, Personal Assistant, Staff Assistant, Caretaker Grade I, Supervisor, Premises Section—Rs. 400—30—760 (12 years).
- (b) Sub-Accountant and Deputy Treasurer should be paid Rs. 50, special pay in the above scale.

Note:—The Cadre of Record Clerk is classified as Class IV by the Bank, but an exception has been made in respect of 4 persons belonging to this category, viz., (1) Shri A. E. Kamble, (2) Shri D. L. Kadam, (3) Shri J. B. Sawant (all at Bombay) and (4) Shri M. A. H. Qureshi (New Delhi), who are classified as Class III staff. Though the said employees are classified as Class III and that the conditions and terms of service of these employees is same as that of other class III employees, the scale of pay fixed for them is much lower than that of the Grade II. The Association therefore demands a scale of pay for them equal to that of Clerk Grade II. The Association submits that since they are already in receipt of other benefits applicable to Class III staff, the scale of pay provided for lowest grade in Class III should be made applicable to them."

The Association has pleaded that the job of typists has come to be recognised as very similar to that of a clerk, typing being considered as an additional qualification and that the facility of switch over from typing duty to clerical duty should be granted, that the same principle should be extended to comptists and that the technical knowledge of operation of a comptometer should be considered as additional qualification in the same way as in the case of typists. It has further pleaded that stenographers should be allowed to rank for seniority with Assistants as also the facility of switch over in the same way as demanded for typists and comptists. It has pleaded that the nature of duties performed by the stenographers being the same, it was not necessary to maintain two grades for stenographers. As regards the Class II staff, the Association has pleaded that normally a person was promoted to the post in Class II cadre when he was quite advanced in his grade. The Association has submitted that the basic demands had been drawn up on the basis of the need-based formula so as to assure the employees fair emoluments; that it was not necessary to prescribe many grades for categories of workmen doing similar or analogous duties and that the extra effort, skill, qualifications and such other factors which in certain cases were required of an employee, should be compensated by way of special pay. It has stated that various categories of staff had been regrouped into three main groups with a view to bringing about equality and equivalence between different scales. The Association has submitted that the grouping sought for and the scales of pay demanded were just and fair and that the same should be conceded in full.

3.7. The Union has pleaded that the total number of Class IV employees engaged in the Reserve Bank of India throughout the country was in the neighbourhood of 2,200, that the emoluments fixed in 1954 were on an *ad hoc* basis without reference either to the needs of the employees or the capacity of the Bank to pay, that the socio-economic concept in the matter of wage fixation had undergone a radical change consequent upon the agreement arrived at in the 15th Indian Labour Conference, that the scales of wages should be fixed with reference to the base year 1956 when the average all-India working class consumer price index number stood at 105 in the series 1949=100, that the minimum wage calculated in accordance with the norms laid down by the 15th Indian Labour Conference would be Rs. 140/- per month and that the fair wage worked out in terms of the recommendations of the Fair Wages Committee Report would be in the neighbourhood of Rs. 220/- per month, that for August 1959 prices in the City of Bombay, the minimum need-based wage came to Rs. 221/- for the most

unskilled minimum wage earner in any industry "for the poverty line norms accepted in the 15th Indian Labour Conference," that in the graded scale of pay, the span should be 17 years, that the difference between the minimum and the maximum in the same grade should be approximately 2 to 2½ times, that increments in the grades should be automatic and there should be no efficiency bar and that the scale of pay for the Class IV staff of the Reserve Bank should be Rs. 145—7—187—8—235—11—290, that special pay should be given to various categories of Class IV employees and that in determining the amount of special pay, the following considerations should be taken into account:

- (a) work involving higher or special skill, technical knowledge, etc.
- (b) work involving higher responsibility, and
- (c) special qualifications needed for any work or possessed by any employee.

It has demanded the following amounts by way of special pay for the below-mentioned categories of employees in Class IV:—

Categories	Special Pay.
(1) Drivers Grade I	Rs. 70 per month.
(2) Record Clerks	Rs. 60 „
(3) Jamadars, Grade I	Rs. 60 „
(4) Drivers, Grade II	Rs. 60 „
(5) Carpenters/Masons	Rs. 70 „
(6) Fitters/Plumbers	Rs. 70 „
(7) Gestetner Operators	Rs. 50 „
(8) Vicemen	Rs. 50 „
(9) Jamadars, Grade II	Rs. 50 „
(10) Head Mazdoors	Rs. 45 „
(11) Compositors	Rs. 40 „
(12) Head Malis	Rs. 40 „
(13) Jamadars, Grade III	Rs. 40 „
(14) Duftries	Rs. 40 „
(15) Liftmen	Rs. 30 „
(16) Pressmen	Rs. 30 „
(17) Night Durwans	Rs. 30 „
(18) P.D.O. Jamadar	Rs. 65 „
(19) A. C. Plant Attendant	Rs. 40 „
(20) Sub-Station Attendant	Rs. 40 „
(21) Cycle Peons	Rs. 15 „
(22) Punching and Stitching Mazdoors	Rs. 15 „
(23) Those who have passed Matriculation or equivalent examination.	Rs. 10 „
(24) Those who have passed Intermediate Examination.	Rs. 15 „
(25) Those who are graduates	Rs. 20 „
(26) Mazdoors attached to Electricians and having passed the Wiremen Examination.	Rs. 15 „

The Union has demanded local pay at Bombay, Calcutta, Madras, Ahmedabad, New Delhi, Kanpur, Hyderabad, Bangalore, Nagpur and Lucknow at the rate of Rs. 15/- per month and at other centres at the rate of Rs. 10/- per months.

3.8. The Reserve Bank of India, in its reply to the claim of the Association, has submitted that its present pay-scales, local pay, dearness, house rent and family allowances were fair, reasonable and adequate and had emerged as a result of an agreement with the workmen arrived at in October 1954 with retrospective effect from 1st October, 1953 and that the said agreement was to be in operation for a period of three years, the Reserve Bank having agreed that

should there be a substantial change in the cost of living situation, the Bank would be prepared to consider the grant of relief. It has pleaded that principles analogous to *res judicata* were applicable to awards and settlements, that awards and settlements, particularly on wages, were in the nature of long term settlements which should not be lightly disturbed unless there was a material change in the circumstances upon which such awards and settlements had been based, that "the pay-scales and allowances agreed to in 1954 were broadly based on the emoluments awarded to Class 'A' banking companies by the Labour Appellate Tribunal which heard appeals from the Sastry Award, including the element of two months' bonus", that the Reserve Bank had implemented the agreement even after the period of operation of the agreement had lapsed and that no case had been made out of materially changed circumstances which would warrant a revision of the existing terms of service. It has submitted that even assuming that the employees prove and establish that the circumstances upon which the present pay scales etc. were based, had materially changed, it would be necessary for the workmen to prove that the existing wage scales and service conditions were inadequate and it would further have to be considered whether any revision should be restricted to wage scales or to dearness allowance or to any other allowance or service condition, that the demands made by the Association in its charter of demands were fantastic and made in total disregard of the known and declared policy of the Bank that some balance had to be preserved between the two following factors, namely:—

- (a) that the emoluments of the Reserve Bank's employees must not be seriously out of step with those of the Central Government employees, and
- (b) the emoluments must be related to those extended to commercial bank employees.

It has pleaded that the need-based formula laid down by the 25th Indian Labour Conference recommendations was not binding on the Reserve Bank, that it was in the nature of a recommendation to be kept in view by the wage-fixing authorities, that the formula of a need-based wage was indicated more as a goal for achievement in progressive stages along with the growth of the economy and was incapable of immediate implementation, that the calculation of a minimum need-based wage in actual monetary terms presented numerous difficulties and it was not possible to arrive at any single acceptable estimate, that the estimates of Rs. 140/- and Rs. 145/- for the minimum need-based wage given by the Union and the Association respectively were well on the high side as compared to the various estimates indicated by the Central Pay Commission and the Cement Wage Board and that apart from the consideration of estimating the need-based wage, another important consideration that was to be borne in mind was the capacity of the Indian economy to meet the minimum requirements in terms of physical availability of goods and services which the need-based wage implied. It has relied upon the Report of the Central Pay Commission in this connection. It has stated that considering the estimates of the need-based minimum wage namely Rs. 85 estimated on the basis of the Pay Commission's recommendations at the price index of 122 for March 1960 and Rs. 101 arrived at by the Cement Wage Board the total minimum remuneration of Rs. 108 given at present by the Reserve Bank on an average to the lowest paid Class IV employee compared favourably, that since the beginning of the Second Five Year Plan, the Indian economy had been characterised by inflationary conditions under the impact of growing developmental expenditure and greater resort to deficit financing, that while there was no net rise in the wholesale prices during the First Five Year Plan period, there has been a rise of more than 20 per cent since the commencement of the Second Five Year Plan, that the continued upward trend in prices and cost of living reflected the insufficiency of the domestic resources relatively to the demand both by way of investment and of consumption, that the rise in prices therefore performed an important economic function of bringing about a balance between aggregate supply and aggregate demand and any large scale increase in wages all round by increasing the demand would only nullify the economic purpose of the rise in prices, that the effect of granting the demands would be setting up a wage-price spiral and intensifying the inflationary pressures within the economy with the result that the resultant rise in prices would wipe out the effect of the monetary increase in wages, that the benefit of any increase in wages would thus prove illusory, that the successful implementation of the Plan demanded restraint on consumption and increase in savings in order to realise funds for investments, that this required sacrifice by all sections of the community in the interest of economic development with stability, that until

the economic development moved to a point of self-sustained growth, the larger interests of the nation demanded voluntary restraint on wages by all the sections of the community, that neither the Reserve Bank nor the banking industry as such was represented at the 15th Indian Labour Conference and that it would be inequitable to urge that those recommendations were binding on the Reserve Bank, that although the Government of India was the convenor of and a party to the 15th Tripartite Labour Conference, the Government's position, in reply to a communication addressed by the Second Pay Commission, was formulated in the words following:—

"The Government desires * * * to make it clear that the recommendations of the Labour Conference should not be regarded as decisions of Government and have not been formally ratified by the Central Government. They should be regarded as what they are, namely the recommendations of the Indian Labour Conference which is tripartite in character. Government have, at no time, committed themselves to take executive action to enforce the recommendations."

It has further relied upon the following extract from the Finance Minister's speech in Parliament delivered on 15th February 1960 in connection with the recommendations of the 15th Labour Conference:—

"The one point that was made at the outset was that the Pay Commission has ignored the recommendations of the 15th Indian Labour Conference and Government have also repudiated their commitment to the policy of minimum wage accepted by the Labour Conference. In the first instance, as I have pointed out even before, the recommendations of the Labour Conference have not so far been accepted by Government. They cannot, therefore, be binding on Government. * * * They have not been formally considered by Government at all at any stage and unless Government takes decisions on them, they cannot be binding on Government."

(Extracts from Lok Sabha Debates, dated 15th February 1960—pages 968-969).

The Reserve Bank has further submitted that the recommendations made by the 15th Indian Labour Conference themselves envisage the wage fixing authority declining to award a need-based wage provided the reasons for so declining were stated and that in the present case "on the very same considerations so thoroughly gone into by the Second Pay Commission (namely the economic and wider social implications of the recommendations and the capacity of the economy as a whole to bear the burden of need-based wage), this Tribunal should not proceed on the basis of the need-based wage as the floor level". It has further pleaded that it was not clear from the recommendations what type of diet or dietetic table was contemplated at the Conference.

3.9. As regards the Bank's capacity to pay, it has pleaded that the Reserve Bank's earnings consisted mainly of discount of Rupee Treasury Bills and the interest on Rupee Securities, that as a central banking institution of the country, the Bank maintains eligible assets against note issue, that with the rapid depletion of Sterling balances in recent years and the inability to augment gold holdings, the assets of the Issue Department against which bank notes were now being issued consisted of Government of India Rupee Securities (Rupee Loans and Treasury Bills), that the Rupee Securities now formed about 78 per cent of the total note issue and that this had been as a result of the large expansion in note issue stemming from rapid progress of economic activity under the impetus of the development plans—partly deficit finance—and expansion of the monetised sector of the economy. It has been pointed out that if the Government resorted to a larger measure of deficit financing to finance the Five Year Plans, the Reserve Bank would acquire more of ad hoc Treasury Bills and Government Securities in its Issue Department to expand note issue, and that in the process the Reserve Bank's earnings would go up. It is further pleaded that the Reserve Bank was not a private industrial or commercial institution and hence its profits were not in the nature of private gains as in commercial institutions available for distribution in the form of dividend and bonus to private shareholders and employees, and that, in terms of the Reserve Bank of India Act, the whole of its surplus profits was being transferred to the Central Government and thus accrued to the national exchequer. It has pleaded that the Bank's profits did not arise from commercial transactions, that they arose out of the Bank's note-issue functions and that the salaries of the Reserve Bank employees cannot have a relation to the profits arising from note-issue.

3.10. In connection with the claim for the differential or co-efficient between the needs of middle class employees and those of operatives or workers, it has relied upon the observations made in this connection by the Second Pay Commission at page 105 of its Report. The following are some of the observations so relied upon:—

“We have considered whether there should be any direct, rigid, relativity between manual and clerical staff, and we have come to the conclusion that the acceptance of any such relativity will be incompatible with the principles for determination of remuneration of Government servants which we have adopted. We have noticed that there is no such fixed ratio in outside employments; for instance, in the jute industry in West Bengal a matriculate clerk's remuneration, which in 1948 was 75 per cent higher than that of an unskilled manual worker, had come down to 53 per cent in 1958 (January—August); for the engineering industry in the same State, the corresponding figures are 82 and 58 per cent; and for the textile industry in Bombay, 46 and 44 per cent. As far as we have been able to gather, in other countries also there has been no direct link or relationship between the remuneration of manual and clerical employees.”

3.11. Dealing with the plea of the Association that the total emoluments of employees of the Reserve Bank were less than those in A Class commercial banks, the Reserve Bank has pleaded that the Association, when quoting the monthly emoluments of the Reserve Bank employees, had not taken into account:

- (a) the family allowance granted by the Bank the cost of which per employee on an average worked out to Rs. 15 per month,
- (b) special pay at Rs. 10 per month admissible to Clerks Grade I and
- (c) several benefits and amenities extended by the Bank from time to time.

The Bank has further stated that normally, an employee is promoted as clerk Grade I after 10 years of service, in many cases even earlier, and that it has been the Reserve Bank's practice while calculating the emoluments of the employees for the purposes of comparison to take into account an additional amount of Rs. 10 per month as from the tenth year of service and that “while fixing the total emoluments by comparison with emoluments in commercial banks an element of two months' bonus is included and no question arises of this element being reduced.” It has pleaded that it would be totally wrong to compare the emoluments paid by business and manufacturing houses with the emoluments paid by the Reserve Bank, that the object with which the Reserve Bank was set up could hardly be compared with the sphere of activities and objects of commercial institutions and more so of global and monopolistic concerns, that the present scales were fair, reasonable and adequate and commensurate with the work and responsibilities expected from the employees, that the pay-scales demanded were exorbitant, unreasonable and unjustified, that in the scales asked for efficiency bars were conspicuous by their absence, that it would be a retrograde step to abolish efficiency bars as the existence of such bars was in the interests of both the employer and the employees and that so far as the employee was concerned, if he was lulled into the belief that he need not worry about his efficiency being tested and assessed throughout his career and that he would continue to the end of the scale irrespective of his efficiency, the Reserve Bank would not have a good employee in him. So far as the Reserve Bank was concerned, in the absence of an efficiency bar, in the event of the Reserve Bank coming to the conclusion that the workman was inefficient it would have no option but to dispense with his services; whereas if there were efficiency bars the Bank might keep him without increments at the bar stage until his efficiency improved rather than have his services dispensed with.

3.12. As regards the demands made in respect of the supervisory staff, it has pointed out that the reference covered only those employees who fell within the definition of a “workman” contained in the Industrial Disputes Act, 1947, that under that Act, employees, who being employed in a supervisory capacity, drew wages exceeding Rs. 500 per month, or exercised either by the nature of duties attached to the office or by reason of the powers vested in them, functions mainly of a managerial nature, were not workmen and that in the case of Reserve Bank employees in the supervisory category who drew wages exceeding Rs. 500 per month, the Tribunal would have no jurisdiction to fix a scale over the amount which together with all other emoluments falling within the definition of ‘wages’ in the Act would exceed Rs. 500 per month. It has pleaded that the Tribunal should not prescribe pay-scales for the supervisory cadre as it would be ineffective to do so inasmuch as in the case of the Reserve Bank a recruit to the lowest

supervisory cadre would draw over Rs. 500 per month by way of emoluments after 3 years of service at a local pay centre and after 5 years at a non-local pay centre, that it was important to bear in mind that a majority of the members of the supervisory cadre had entered the cadre by promotion and it might well be that even prior to the promotion a promotee might be drawing over Rs. 500 per month by way of emoluments or very near to that figure and that it would be impossible to postulate in such a case as to when an employee ceased to be a workman. It has submitted that the Tribunal would have no jurisdiction to prescribe such a scale for the supervisory cadre as would result in total emoluments exceeding Rs. 500 per month becoming payable at any stage of the scale.

313. As regards the Association's demand that it was not necessary to prescribe many cadres for categories of workmen having similar or analogous duties, it has pointed out that a mere glance at the categories grouped together by the Association would reveal that the grouping on the whole was not of categories performing similar or analogous duties, that the Reserve Bank's present categorisation with separate scales was not only based on true assessment of the work and the responsibilities expected from each category but also provided an incentive inasmuch as the Reserve Bank promoted suitable and deserving employees to higher grades, that by having common scales for each of the alleged groups and special pay for certain employees, the Association's purpose of bringing about equality or equivalence in different scales of pay would not be served, that the existing categorisation of pay-scales was as a result of an agreement with the Association, that it would be wrong to upgrade the present cadre of clerks/coin-note examiners grade I to that of assistant/tellers, that the demand that typists and comptists should rank for seniority with clerks and that stenographers should be allowed to rank for seniority with assistants, was unreasonable and unjustified, that a person was recruited as a typist after he had undergone a typist's test and as long as he was a matriculate, the marks obtained by him were not considered and that if the same recruit had applied for a clerical post, his marks would be scrutinised. It has denied that the job of a typist was similar to that of a clerk. As regards comptists it has pleaded that generally they were taken into service on the recommendation of the suppliers of the computing machines, that their academic qualifications have not been scrutinised and that it would not be appropriate to give a direction in the case of comptists as demanded by the Association. It has denied that two grades of stenographers were unnecessary. It has stated that as a matter of fact, tribunals have approved the provision of two or more grades as these act as incentives. It has pleaded that the scales of pay and grouping sought for by the Association were unreasonable and unjustified.

314. In reply to the statement of claim made by the Union, the Reserve Bank has pleaded that for reasons similar to those advanced in connection with the demands made by the Association, the Tribunal should not disturb the existing pay-scales, dearness allowance and other allowances applicable to Class IV staff of the Bank. It has pleaded that the existing pay scales etc., were adequate, having regard to all relevant considerations. It has submitted that the grant of one scale of pay for all classes of employees would be a retrograde step and that the existing scales were commensurate with the nature of work expected of each category. It has denied the justification of special pay to the categories for which special pay has been demanded. As regards the claim for a special pay of Rs. 15 for cycle peons, it has pleaded that the claim was not justified as it would amount to a cash payment for a convenience afforded by the Bank. As regards mazdoors who did punching and stitching work, it has submitted that the same constituted a part of their duties and there was no justification for a special pay. As regards the special pay asked for educational qualifications, it has pleaded that the said qualifications were totally unnecessary for the performance of their duties by Class IV staff and that the demand was unjustified. As regards mazdoors attached to electricians, it is pleaded that the work that they were required to do was not such as needed any qualification, that they were unskilled labourers attached to the electrician and that the demand for special pay was unjustified.

315. I have discussed at considerable length the general principles of wage fixation in my award dated 7th June 1962 in Reference No. 1 of 1960. Most of the arguments advanced in connection therewith in the said reference were repeated or adopted in the present reference. I generally adopt what has been stated in the said award in connection with arguments advanced in this reference which are similar to those advanced in the said Reference No. 1 of 1960. In connection with the resolution passed at the 15th Indian Labour Conference laying down certain norms for the guidance of wage fixing authorities, it has been urged that the said resolution is binding on the employers in the public sector.

and on the Reserve Bank. I have dealt with the nature and effect of the said resolution in my award in the said Reference No. 1 of 1960 and adopt what is stated therein for the purpose of this reference. The Reserve Bank was not, and cannot in any sense, be regarded as being represented at the said conference and cannot be regarded as being bound by the resolution passed at the said conference. Various statements have been filed in this reference on behalf of workmen employed in the Reserve Bank and by the Reserve Bank in connection with a need-based wage, having regard to the requirements of the employees, in accordance with norms laid down by the said resolution or with a slight variation thereof. There is considerable amount of divergence on the question of what a need-based wage should be. According to the Association, the average monthly expenditure of a working class family consisting of husband, wife and two children (a boy and a girl) based on the 15th Labour Conference norms, at Bombay for the year 1960 would work out at Rs. 165 per month and the average monthly expenditure of a middle class family consisting of husband, wife and two children (a boy and a girl) at Bombay, calculated at the prices prevailing in the year 1960, would amount to Rs. 333.07. On behalf of the Reserve Bank, the calculations made by the Association have been challenged on various grounds. Without prejudice to all its contentions in connection with the resolution passed at the 15th Indian Labour Conference and its binding character, the Reserve Bank has worked out the monthly expenditure of a working class family consisting of 3 consumption units at Rs. 107.74 for the year 1960. The Reserve Bank has stated that as there was not one fixed amount payable to the workmen employed in the Bank throughout the course of their employment but as there were incremental scales of pay provided for them, it would be only in the 8th year of service that a workman had to provide for three consumption units consisting of himself, his wife and two children and that the emoluments given to Class IV employees in the Reserve Bank in the 8th year of service were far in excess of the requirements of a need-based wage. As regards the amount calculated to represent the needs of a middle class family, the Reserve Bank has challenged the norms adopted by the Association in its calculation as being arbitrary and without any basis. The norms laid down by the resolution passed at the 15th Indian Labour Conference are intended to apply only to industrial workers. As stated by me in paragraph 5.62 of my award in Reference No. 1 of 1960, the clerical staff in banks cannot be regarded as being covered by the recommendations made by the 15th Indian Labour Conference which were applicable to industrial workers, and that the same may at best be applied in connection with members of the subordinate staff of banks. There has been considerable divergence as regards the amount required to fulfil the requirements of a need-based wage in accordance with the norms laid down by the 15th Indian Labour Conference. The norms laid down by the resolution passed at the 15th Indian Labour Conference in connection with the needs of "industrial workers" are standardised norms applicable to all industrial workers, whatever may be their age and whatever may be the number of years of service they might have put in. The norms have been laid down for the purpose of fixing a minimum wage at all stages in the life of a workman. Three consumption units would be the norm at a time when a workman may be unmarried and may have no dependents. The norm would equally be, three consumption units at a time when a workman may have more than two children and other dependents to maintain and even when a workman may have an earning wife. It is a standardised norm representing the average need of a workman having regard to various stages in his life. By this award I intend to provide incremental scales of pay having regard *inter alia* to the needs of workmen at various stages in their life.

3.16. A number of arguments more or less similar to those advanced in Reference No. 1 of 1960 were advanced in this reference in connection with the various factors which are required to be considered when providing incremental scales of pay for various classes of workmen and fixing wages. To the extent that the arguments are common to both the references or more or less similar, save as otherwise expressly provided, I generally adopt for the purpose of this award what I have stated in that connection in my award in Reference No. 1 of 1960 under the headings "Index Number," "Base Year", "Consumption Units", "Co-efficient", "Ratio between the Minimum and Maximum in pay Scales", "Span", "Increments", "Efficiency Bar", "Capacity of the Industry to pay", "The National Income", "Productivity of Labour", "Erosion" and "Prevailing rates of wages in comparable concerns".

3.17. For reasons similar to those stated in the said award, I am adopting the year 1949 as the base year with reference to which the scales of pay are being fixed by me. As regards the number of consumption units to be provided for, I consider in the present circumstances that a provision for 2.25 consumption units at the

start of a young man's career in the Bank would constitute a fair provision when providing incremental scales of pay. As regards the co-efficient or the ratio between the cost of living of members of the subordinate staff as compared to members of the clerical staff, I am unable, on the evidence led before me and on the present state of the record, to arrive at any new co-efficient myself and be guided thereby. As regards the ratio between the minimum and the maximum in the pay scales, there is no uniform rule so far established in connection therewith. There are various factors which may affect the same. An incremental pay scale is intended to provide for the growing needs of a workman as he advances in age. It is intended to provide for his increased knowledge, experience and efficiency acquired in the course of his service and also to provide him with a saving wage in the later years of service. The capacity of the industry and the wages in comparable concerns have a part to play. In my award in Reference No. 1 of 1960, I have provided for a span of 25 years in the scales of pay. The span varies with different categories of employees in the Reserve Bank. The existing spans are shorter than the span provided for workmen under my award in Reference No. 1 of 1960. In my view, there is no necessity for any variation in the existing spans.

3.18. At the hearing, on behalf of the Association it was contended that the first increment of Rs. 5 was low, that the rupee had lost its purchasing power and that the increment should be of Rs. 10. On behalf of the Union it was stated that as regards Class IV staff, the rate of increment, instead of increasing with the number of years of service, was lower in the later part of an employee's service than in the earlier part of his service. The question of increments is closely linked up with the question of the minimum and the maximum provided in every scale of pay and the span and the rate of increments will largely depend upon these factors. There cannot be any hard and fast rule in connection therewith.

3.19. As regards efficiency bars, it has been urged on behalf of the Association that there should be no efficiency bars at all. In the Reserve Bank for most categories of Class IV staff there are no efficiency bars. For some categories of Class IV staff there is one efficiency bar. For Class III staff in some categories there is a single efficiency bar whilst in some others there are two efficiency bars. There are a few categories without an efficiency bar. As regards Class II staff in some categories there is no efficiency bar, in some there is one efficiency bar and in some there are two efficiency bars. Under the Sastry Award as modified, there was an efficiency bar placed at the 20th year of service and the same has been retained by me in my award in Reference No. 1 of 1960. In my award in Reference No. 1 of 1960, I have stated there was something to be said in favour of the view that there should be an efficiency bar in the early years of an employee's career as that would enable a bank to mark out the inefficient from the efficient after a few years of service of an employee. An employee who may be found to be inefficient may thereafter become more vigilant and improve in efficiency with a view to secure higher increments in the scale of pay. Such a bar enables the bank to secure an improvement in the work of an employee, and where such a bar is already in existence, I do not see any necessity of removing the same. The efficiency bars in the scales of pay of various categories of workmen in the Reserve Bank have been well placed. Having considered all aspects of the matter, I do not see any necessity of changing the existing scheme in connection with efficiency bars in the Reserve Bank.

3.20. As regards the capacity of the Reserve Bank, it has been strongly urged on behalf of the workmen that the Reserve Bank is in a position to give a living wage and that there is no reason why it should not act like a model employer and pay a fair wage, if not a living wage. It is urged that between the years 1950 and 1961, though the capital of the Reserve Bank has remained at rupees five crores, the reserve fund which amounted to rupees five crores in the year 1950 now amounted to rupees eighty crores, and that the profits of the Bank which were Rs. 9.91 crores in the year 1951 amount to 42.50 crores in the year 1961. The Union has filed an exhibit showing that the establishment expenses of the Reserve Bank which amounted to Rs. 1.72 crores in 1951 have risen to only Rs. 4 crores in the year 1960. As regards the reserve fund, the same increased from rupees five crores to rupees eighty crores because during the year 1957, gold which was held in the Issue Department at the rate of 8.47512 grains of fine gold per rupee was revalued on the 6th of October, 1956 at the rate of 2.88 grains of fine gold per rupee consequent on the passing of the Reserve Bank of India (Amendment) Act, 1956. Out of Rs. 77.74 crores liable to be added on account of the revaluation, a sum of Rs. 75 crores was transferred to the reserve

fund with the concurrence of the Central Government and the balance of Rs. 2.74 crores was included in the surplus profits payable to Government.

3.21. The Reserve Bank, in reply, has pointed out that it is not a profit-making commercial undertaking, that the profits accrue to the Bank mainly because of the Bank's note-issue functions, that the Bank's earnings consisted mainly of discount earned on the holdings of Treasury Bills and interest earned on the holdings of Rupee Securities held as assets against note issue, that these holdings have risen from Rs. 471.7 crores at the end of June, 1950 to Rs. 1,636.9 crores at the end of June, 1961, that the percentage of Government securities to the total notes issued had risen from 39.1 per cent. at the end of June, 1950 to 82.7 per cent. at the end of June, 1961 and that the same was due mainly as a result of the large expansion in the note issue made in order to meet the needs of a developing economy. It has further stated that at the end of June, 1960, the bulk of the Bank's income comprised of interest and discount on Sterling and Rupee Securities while income from exchange on remittances, commission (arising mainly on account of management of Public Debt), income on loans and advances to banks and Governments and miscellaneous amounted to less than 10 per cent of the total income, and that the income derived by the Bank arose from its statutory obligations and not through any commercial or industrial operations.

3.22. The Bank's profits made in the Issue Department cannot be regarded as commercial profits. The Reserve Bank is performing the functions of the Government in connection with the issue of currency. The emoluments paid by it must bear some relation to these paid by commercial banks to its employees. The Reserve Bank has not claimed that it should pay wages less than those paid by A Class Banks. In fact, successive Governors of the Reserve Bank have portrayed the Reserve Bank as a model employer paying handsome wages. Strong reliance was placed on some of these statements on behalf of workmen. In the conciliation conference which was held in the month of May 1946, the Governor of the Reserve Bank stated as under:—

“* * * * he and the Directors were prepared always to view the cause of the staff sympathetically and have already laid down a policy that we should be prepared to give our staff slightly more than what other comparable institutions are prepared to pay, thus giving a lead to a policy of enlightened employment of white collar labour.....”.

This statement was made before the whole share capital of the Reserve Bank was acquired by Government. In the conciliation conference held in August 1953, the Governor of the Reserve Bank stated as under:—

“Our policy is to be fair—I might say, even more than fair—to the staff but we cannot certainly overlook the economic condition of the Society as a whole and consider Reserve Bank in isolation. Such a policy would be against the national interest and that is why my predecessor told you that the service conditions of the Reserve Bank staff must have some relation to the conditions obtaining in other banks and assured you that conditions in the Reserve Bank will always be a little better. This continues to be our policy even today.....”.

At a meeting between the Governor of the Reserve Bank and other officials of the Central Office and the representatives of the Association and the Union at Calcutta held on 12th March 1954, the Governor of the Reserve Bank reiterated his predecessor's as well as his own assurance to the staff that the conditions of service in the Reserve Bank would be slightly more favourable than in other scheduled banks and that he would of course honour it. At the conciliation conference held in October 1958, the Governor of the Reserve Bank referred to the emoluments of the employees in the Bank and asked the Association to compare them with those of other A Class banks, Central or State Governments, and stated that it would find that the Reserve Bank paid better and that the Reserve Bank's pay scales compared very favourably with the other commercial banks. At the all-India conciliation conference held on 5th and 6th December 1958 between the Reserve Bank of India authorities and the representatives of the Union, the Governor of the Reserve Bank stated that really speaking there ought to be some relation between the emoluments paid by the Reserve Bank and those paid by the Central Government, that the Reserve Bank however went a little further and decided that their emoluments will be a little higher than those of the commercial banks, that he did not see how the workmen could honestly expect the Reserve Bank to go well ahead of commercial banks and that in fact, the Reserve Bank employees were aristocrats in the sense that they were paid more than anybody else.

3.23. Shri Palkhivala, the learned counsel on behalf of the Reserve Bank, strongly contended that Government had limited resources and had to act fairly within the same, that the Reserve Bank paid more than the Pay Commission ever prescribed and that the claim of the Reserve Bank employees for wages much higher than those of other Government servants, if granted, would constitute invidious discrimination against the latter. It was urged on behalf of the Bank that when the matter came up for adjudication, assurances cannot be taken into account and the demands of workmen have to be judged according to the industrial law. It is, no doubt, true that assurances given by or on behalf of any employer cannot constitute the foundation for making an award. Assurances, however, when given, give rise to expectations and if the same are not fulfilled they lead to discontent. Assurances so given cannot be wholly ignored, though an award cannot rest on the same.

3.24. The Reserve Bank has urged that its present pay scales, local pay, dearness allowance, house rent allowance and family allowance had emerged as a result of an agreement with the workmen arrived at in the year 1954 and that principles analogous to *res judicata* were applicable, not merely to awards but also to settlements, particularly to settlements in respect of wages which were in the nature of long term settlements, and that the same should not be lightly disturbed unless there was material change in the circumstances upon which such settlements had been based. It is submitted that "the pay scales and allowances agreed to in the year 1954 were broadly based on emoluments awarded to Class A banking companies by the Labour Appellate Tribunal which heard appeals from the Sastry Award, including an element of two months' bonus." There is a dispute between the parties on the question whether the agreements arrived at in the year 1954 between the Reserve Bank and the Association and the Union were based on the emoluments awarded to Class A banking companies by the Labour Appellate Tribunal or were based on the decision of the Labour Appellate Tribunal as modified by the Government. In the letter dated 27th September 1954 addressed by the Private Secretary to the Governor of the Reserve Bank to the General Secretary of the Association, it has been stated as under:—

... the only basis which the Reserve Bank can adopt is the Bank Award as modified by the Government of India. The only other course would be to await the final outcome of that dispute which is now in the hands of Justice Rajadhyaksha. Incidentally, it may be mentioned that the Bank's proposals as they stand are more liberal than the basic emoluments granted by the Award of the Labour Appellate Tribunal."

It is not necessary for the purpose of this adjudication to determine what was passing in the minds of the parties when they entered into the aforesaid agreements. In my award in Reference No. 1 of 1960, I have dealt with the plea of *res judicata* taken in the said reference on behalf of the Indian Banks Association and have in paragraphs 4.160 and 4.161 considered the decisions of the Supreme Court in the case of *Burn and Company Ltd.*, and their employees, reported in 1957 (I) Labour Law Journal, page 226, and in the case of the *Indian General Navigation and Railway Company Ltd.*, and others *v.* their workmen, reported in 1960 (I) Labour Law Journal, page 561, relied upon in connection therewith. The period of three years agreed upon between the parties, during which each one of the agreements was to operate, has expired. There has been a considerable change in the circumstances which prevailed at the time when the agreements were arrived at and the time when this reference was made. After the date of the reference the very basis on which the scales and allowances were agreed upon has been changed by reason of my award in Reference No. 1 of 1960. There are various arguments advanced on behalf of the workmen in resisting this plea. It is not necessary for me to deal with the arguments advanced at any length. Suffice it to say that having regard to the change in circumstances, the plea even if it had otherwise any merit, does not survive.

3.25. It is urged by the Reserve Bank that its wages compare favourably with the wages given by A Class banks in Area I under the Sastry Award as modified and that there was an element of two months' bonus included in the scales of pay provided by it. The Bank has also relied upon the fact that in the Reserve Bank there were two grades provided for clerks, that most of the employees in clerical grade II were promoted to grade I in the tenth year of service, if not earlier, and that they received Rs. 10 more by way of basic salary over and above that received by clerks in grade II. It has also relied upon the fact that the Bank was giving a family allowance at the rate of Rs. 10 per child with a maximum of Rs. 36 to Class II and Class III staff who had completed five years of service, and was paying a family allowance of Rs. 7.50 nP. per child with a maximum

of Rs. 22.50 nP. to Class IV staff who had completed five years of service and upon the fact that on 30th June 1960, out of a total number of 4950 employees in Class II and Class III eligible for family allowance, 3348 employees were drawing family allowance and that the average family allowance per eligible employee came to Rs. 15.11 nP. per month. As regards the employees in Class IV, it was stated that out of 1751 employees eligible for the allowance, 1378 drew the allowance and that the average family allowance per eligible member came to Rs. 13.26. Commercial banks do not provide such family allowance and the Reserve Bank can well claim that it is unique in this respect. The family allowance, however, is not drawn by employees during the first five years of service. Even after the completion of five years' service, there are several employees who do not draw the same. Family allowance is not taken into consideration for the purpose of retirement benefits or for the purpose of drawing dearness allowance and cannot be equated with basic pay.

3.26. In fixing the scales of pay under my award in Reference No. 1 of 1960, I had to take into account the burden imposed upon banks by reason of the abolition of Area IV. I had also to bring to bear a class-wise approach. The aforesaid two considerations do not weigh with me in dealing with the demands made by the employees of the Reserve Bank. Another factor which has to be borne in mind is that A Class banks have been paying bonus. I have given my award in Reference No. 3 of 1960 in connection with certain disputes relating to bonus as regards all A Class banks (except the State Bank of India) and their workmen, under which they will hereafter be liable for payment of bonus. In fixing the scales of pay for the Reserve Bank, I have taken into account the fact that the Reserve Bank is not paying bonus and the fact that, as stated by the Reserve Bank, its present scales of pay cover an element of bonus equivalent to two months' basic pay under the Sastry Award as modified.

3.27. Under my award in Reference No. 1 of 1960, I have prescribed the following scales of pay for workmen other than those belonging to the subordinate staff employed in A Class banks in Area I:—

Rs. 140—6—182—11—281—13—307—15—322—E.B.—15—337—16—369—18—405.

I have fixed the following special allowances per month for the below-mentioned categories of workmen:—

Categories of workmen	Class of Bank "A"
(1) Graduates or holders of National Diploma in Commerce	Rs. 10
(2) Workmen who have passed Part I of C.A.I.I.B. or C.A.I.B. Examination	Rs. 5
(3) Workmen who have passed Part II of C.A.I.I.B. or C.A.I.B. Examination	Rs. 5
(4) Comptists	Rs. 15
(5) Stenographers	Rs. 35
(6) Head Clerks, Chief Clerks and Passing Officers	Rs. 27
(7) Head Cashiers, units of 5 clerks and above	Rs. 27
(8) Head Cashiers, units of 4 clerks and below	Rs. 20
(9) Assistant Cashiers (above the level of routine clerks), units of 5 clerks and above	Rs. 22
(10) Assistant Cashiers (above the level of routine clerks), units of 4 clerks and below	Rs. 16
(11) Cashiers-in-charge of cash in pay offices	Rs. 20
(12) Cashiers-in-charge of cash in treasury pay offices of the State Bank of India	Rs. 35

Categories of workmen	Class of Bank
	"A"
(13) Employees-in-charge of —	
(a) pay offices of banks other than the State Bank of India .	Rs. 35
(b) Pay offices and sub offices of the State Bank of India .	Rs. 65
(14) Employees-in-charge of treasury pay offices of the State Bank of India	Rs. 100
(15) Accounting Machine Operators, I.B.M. Machine Operators, Remington Rand Accounting Machine Operators, Hollerith Machine Operators and Punch Operators, (Punch Operators of the State Bank of India were excluded from the operation of this provision)	Rs. 20
(16) Godown Inspectors	Rs. 10
(17) Tellers and Audit Clerks	Rs. 10
(18) Supervisors, Superintendents, Sub-Accountants, departmental-in-charges	Rs. 65
(19) Cashier-clerks in the Bank of Baroda, Ltd.	Rs. 40
(20) Group-in-charge in State Bank of India	Rs. 27

Head Cashiers and Sub-accountants of the State Bank of India were excluded from the operation of the above provisions relating to special allowances.

3.28. Under my award in Reference No. 1 of 1960 I have prescribed the following scales of pay for the subordinate staff of A Class banks in Area I:—

Rs. 86—1—105—EB—1—108—2—112.

I have fixed the following special allowances per month for the belowmentioned categories of workmen to whom the scales of pay for the subordinate staff apply:—

Categories of workmen	Class of Bank
	"B"
(1) Head cash mazdoors	Rs. 5
(2) Watchmen, chowkidars and cash durwans	Rs. 5
(3) Armed guards	Rs. 10
(4) Duftries	Rs. 10
(5) Havalgars, Jamadars, dafadars, naiks and head pcons	Rs. 15
(6) Drivers and head messengers	Rs. 30
(7) Electricians	Rs. 30
(8) Compositors in the State Bank of India	Rs. 30
(9) Pressmen in the State Bank of India	Rs. 20
(10) Impositor-cum-distributor in the State Bank of India	Rs. 10
(11) Cyclostyle machine operators, regularly employed to operate such machine	Rs. 5
(12) Hundi presenters and bill collectors who are authorised to collect money	Rs. 10

3.29. In Reference No. 1 of 1960, I had to deal with a fairly large number of banks. There was no standardisation of nomenclature having regard to the duties performed by a person. Under the same designation persons in different banks discharged duties which differed to a considerable extent. Duties performed by different persons bearing different designations in one bank were sometimes performed by one person in some other banks. In the absence of standardisation of nomenclature the matter could not be dealt with by providing separate scales of pay according to designations of employees. One scale of pay common to all workmen belonging to the subordinate staff in A Class banks in Area I and one scale of pay common to all workmen other than those belonging to the subordinate staff employed in A Class banks in Area I had to be prescribed and special allowances had to be provided by way of wage differentials, having regard to the different types of duties performed by the employees and the responsibilities undertaken by them. In the present reference, I have only to deal with a single bank and its employees. There are various scales of pay already provided by the Bank for different categories of employees. A special allowance provides for a uniform wage differential throughout the period during which an employee holds a post which carries with it a special allowance. The advantage of separate scales of pay is that it is possible to provide for a different minimum and a different maximum in the scale of pay, or a different minimum and the same maximum or the same minimum and a different maximum and to vary the span and the amount of increments and to provide for efficiency bars at different stages or to eliminate them altogether having regard to the nature of the duties and responsibilities of diverse categories of workmen. The Reserve Bank has provided different scales of pay for several categories of workmen having taken into account the nature of duties and responsibilities of different categories of workmen. The scheme is well considered and fair and I have not considered it proper to make substantial changes in the scheme. In framing the new scales of pay, I have taken into consideration all the relevant factors including those relating to national income, the productivity of labour, the erosion in the purchasing power of money, the prevailing rates of wages in comparable concerns, the capacity of the industry and the effect of the new scales of pay on other industries both in the public and the private sector and on Government service. The Reserve Bank has filed exhibits showing the emoluments which are being paid by various State Governments as well as by various establishments in the public sector. Various exhibits have been filed in this reference showing the emoluments which are being paid in various concerns. In my view, taking all the circumstances into account, the workmen in the Reserve Bank have made out a case for an upward revision of their emoluments. In fixing the new scales of pay, I have adopted a procedure somewhat similar to that adopted by me in Reference No. 1 of 1960. I have considered what generally should be given by way of total emoluments to various categories of employees, having regard to all the available material placed before me and having regard to the various factors which play a part in the fixation of scales of pay. In order to construct pay scales with reference to the base year 1949, I have considered what should be provided with reference to that base year which, having regard to the scheme of dearness allowance adopted by me, would yield what is generally intended to be given at the index level at which it is intended to be given. For the purpose of constructing such pay scales I have adopted, as in the case of Reference No. 1 of 1960, the following conversion formula:— For every decrease of one point in the average all-India working class consumer price index number, base 1949=100, below the aforesaid level, there should be, in the case of Class III staff and Class II staff governed by my award a three-fourth per cent decrease in such total emoluments, i.e. the rate of the notional neutralisation to be taken into account should be 75 per cent. As regards Class IV staff, I have considered that for every decrease of one point from such level, there should be one per cent decrease in such total emoluments, the rate of neutralisation in their case being 100 per cent.

3.30. The Association has demanded that in place of numerous scales of pay obtaining at present, various categories of employees in Class III and record clerks should be grouped in the following manner:—

"Clerk, Coin/Note Examiner, Compounder, Air Condition Operator, Adding Machine Operator, Record Clerk and Field Investigator,"

with one common scale of pay of Rs. 220-10-240-12½-290-15-365-20-425-25-550. Here again, out this group, clerks grade I and coin/note examiner grade I are taken out, clerks grade I being required to be treated as assistants and coin/note examiners grade I being required to be treated as tellers. The Association has claimed that punch operators should be given a special pay of Rs. 15 in the above scale, that comptists, typists, Adrema operators, translator, telephone operator, electrician, tabulator

operators sorter operator mechanic-cum-operator and assistant air conditioning operator should be given a special pay of Rs. 30 in the above scale and that the senior compounder at Bombay should be given a special pay of Rs. 50 in the above scale. It has demanded a separate common scale of pay for stenographer, assistant, teller, draftsman, care-taker grade II, air condition supervisor, machine section supervisor, language/welfare/technical assistant and field inspector. The scale of pay demanded is Rs. 325-20-425-25-650. No convincing reasons have been given for grouping the various categories of workmen in the manner aforesaid and I am unable to accede to the demand as made.

3.31. In support of the demand that the cadre of clerks in grade I should be that of assistants, a reference has been made to various duties performed by clerks grade I in order to show that the responsibilities undertaken by them are very much higher than those of other clerks and the same needed to be adequately compensated. It is urged that the special pay of Rs. 10 given to clerks in grade I is not adequate to compensate them for the duties performed by them and the responsibilities undertaken by them. In this connection, it is necessary to look at the history behind the fixation of the special pay of Rs. 10 for clerks in grade I. When the scales of pay in the Reserve Bank were revised in the year 1946, clerks in grade II were provided with a pay scale of Rs. 75-5-100-EB-5-115-EB-5-150 whilst clerks in grade I were provided with a pay scale of Rs. 100-7½-175-EB-10-225. There was a substantial difference between the emoluments of these two different cadres. When the scales of pay were further revised in the month of October 1948, the pay scales of clerks in grade II and grade I were improved, the scale provided for clerks in grade II being Rs. 75-5-100-EB-7½-160-EB-7½-220 and that for clerks in grade I being Rs. 100-8-180-EB-10-250. It has been stated on behalf of the Bank that the Association had been demanding since 1946 one single scale of pay for clerks, but the Bank had been resisting the demand. By the award of the Sastry Tribunal, one unified scale of pay for clerks had been awarded in the disputes between numerous banking companies and their employees. The Bank reviewed the whole position in the month of September 1954 and submitted a proposal for revision of scales of pay combining both the grades and providing a single scale running as follows:—Rs. 90-5-100-8-180-EB-10-250-EB-10-300. The Bank stated that it was not proposed to retain the existing distinction between grade I and grade II. On 18th May 1954, the Association submitted to the Governor of the Reserve Bank its charter of demands wherein it claimed one common scale of pay for clerks, the scale being Rs. 100 to Rs. 300, the span being 20 years. The Association, while accepting the Bank's proposals to have one unified scale pressed that grade I clerks should be compensated by four increments in the scale. The Bank did not agree to that suggestion, but ultimately agreed to provide a special pay of Rs. 10 to clerks in grade I. As a result of the agreement arrived at in the month of October 1954 between the Association and the Bank, the revised scale of pay for clerks in grade II was Rs. 90-5-100-8-140-EB-10-250-EB-12½-300. It was further agreed that a special pay of Rs. 10 per month should be paid to clerks grade I in addition to the pay of clerks grade II, and that promotions to grade I were to be made on the basis of seniority combined with efficiency. Having secured a unified scale of pay in the manner aforesaid with a special pay of Rs. 10 for clerks in grade I, the Association now claims that clerks in grade I have to bear a higher responsibility and that they should be given the scale provided for assistants, so that once again a substantial difference may be established between them and the present clerks in grade II. Having considered all aspects of the matter and the evidence placed before me, in my view, no case is made out for granting such a demand and the same is rejected.

3.32. The position of coin/note examiners in grade II and coin/note examiners in grade I is similar to the position of clerks in grade II and clerks in grade I, and the demand that the cadre of coin/note examiners in grade I should be that of tellers, is also rejected.

3.33. As regards typists, a special pay of Rs. 30 has been demanded by the Association for them. The Association has further pleaded that typists should rank for seniority with clerks. At present there are two different scales of pay, one for typists and another for clerks grade II. The scale for typists is Rs. 100-8-140-EB-10-210-EB-12½-310, and that for clerks in grade II is Rs. 90-5-100-8-140-EB-10-250-EB-12½-300. The qualifications for recruitment of typists and of clerks in grade II are different in the Reserve Bank. To be eligible for appointment as a typist, all that is required is that the candidate should have passed the Matriculation or the Secondary School Certificate Examination and should pass a special typing test. To be eligible for being appointed as a clerk, it is necessary that person should have passed the Matriculation Examination or the Secondary School Certificate Examination in the first class and obtained fifty per cent marks

in English and the same percentage of marks in mathematics. According to the present policy of the Bank, the transfer of a typist to the post of a clerk could be effected subject to the following conditions:—

- (1) Except where a transfer is recommended by the Bank's Medical Officer for reasons of health, the typist seeking transfer should have demonstrated his suitability for clerical work either by passing C.A.I.I.B. Examination or earned reports which would indicate that he would make a good clerk.
- (2) His pay in the clerical grade will be fixed as if he had earned one increment in the clerical grade for every 2 years' service as typist.
- (3) His seniority in the clerical grade will be fixed after giving him credit generally for one year in respect of every 2 years' service as typist.
- (4) The transfer will be on a trial basis for six months.
- (5) Once absorbed as a clerk, the employee will have no option to go back to the typists' cadre.
- (6) On coming over as a clerk he will be liable to be transferred to any Department/Group of the Bank.

At present typists start with a higher salary and the maximum provided for them is higher. A typist has a chance of being promoted as a stenographer grade II and thereafter as a stenographer grade I, with a further chance of becoming a personal assistant. One of them can even become the personal assistant to the Governor. It has been strongly urged on behalf of the typists that their chances of promotion are not as many as those available to clerks in grade II and that a typist should be in a position to secure a transfer to the clerical side without the restrictions laid down by the Reserve Bank. It is urged that a person who is once a typist should not for ever remain a typist and that it was heart-breaking for a person who has joined service as a typist to find that he will have throughout his active life to mainly do the work of typing.

3.34. By way of preliminary objection, it has been urged on behalf of the Bank that the question of transferability of a typist from the category of a typist to that of a clerk does not constitute the subject matter of this reference and that neither in the charter of demands nor in the statement of claim is there any mention of the demand that a typist should be permitted to be transferred to the clerical side. The only demand that had been made was that a typist should rank for seniority with clerks. It was urged that the Tribunal had no jurisdiction to deal with the question now sought to be raised. The Reserve Bank has also advanced various arguments on the merits of the question.

3.35. The question of transferability of employees from one category to another or the question relating to the promotion of employees does not constitute the subject matter of this reference and I have no jurisdiction to deal with the same. The only point that I have to consider is whether there should be a special scale of pay for typists or whether the scale applicable to clerks in grade II should be applied to them with a special pay as demanded by the Association. The question whether typists and comptists should rank for seniority with clerks as demanded by the Association does not arise for determination under the item "Scales of pay and method of adjustment in the scales of pay". No case has been made out for the grant of a special pay of Rs. 30 to typists. Under the Sastry Award as well as under my award in Reference No. 1 of 1960, no special pay has been provided for typists. As the Bank has a separate scale of pay for typists which is superior to that of clerks in grade II, I would not like the typists to be deprived of such benefit, and I am providing a special scale of pay for typists which is better than that provided for clerks in grade II. I may here mention that typists employed in the Reserve Bank appeared to be suffering under a sense of grievance in connection with the transfer of typists to the clerical grade, especially in cases where persons were precluded for medical reasons from continuing as typists. A reference was made to the various nervous diseases from which steno-typists were likely to suffer like Scrivener's palsy, Writer's Cramp, Occupation Neurosis, Professional spasms, etc. It was very strongly urged before me that at least in such cases the persons who were prevented from continuing as typists should at all events be absorbed by the Bank as clerks, on the footing as if they had been initially employed in the Bank as clerks in the scale applicable to clerks in grade II, so that their salary on such transfer may be reduced to that which would otherwise have become payable to them if they had been initially employed as clerks. As I have no

jurisdiction to deal with the matter, it is left to the Bank to consider sympathetically the case of typists who are unable to continue as such on medical grounds.

3.36. A senior compounder in grade I who is employed at Bombay is being paid by the Reserve Bank Rs. 25 more than what is provided under the scales of pay of the Reserve Bank applicable to him. The Association has demanded a special pay of Rs. 50 for him. No case is made out for the same. I direct that he be paid Rs. 25 more by way of special pay in addition to what is required to be paid to compounders grade I at higher pay centres.

3.37. The Association has incorrectly shown "record clerks" as belonging to class III staff and has demanded the same scale of pay for them as that for clerks, coin/note examiners, etc. The demand is rejected. A specific demand has been made on behalf of four employees, namely, (1) Shri A. E. Kamble, (2) Shri D. L. Kadam, (3) Shri J. B. Sawant, and (4) Shri M. A. H. Qureshi, for a scale of pay equal to that of clerks grade II. The first three are employed at Bombay and the last at New Delhi, as record clerks by the Bank. It is alleged that though the said employees are classified as Class III staff and the conditions and terms of service of those employees are the same as those of other Class III staff, the scale of pay fixed for them is much lower than that of clerks grade II. In reply, the Reserve Bank has pointed out that record clerks employed in the Bank fall in Class IV, that they have special scales of pay provided for them and that these employees are governed by the said scales of pay. It is stated that through mistake, the category of these four persons employed as record clerks was taken to be that of Class III staff and they were given benefits applicable to Class III staff. This mistake was later on rectified by correctly treating this category as Class IV, but with a view not to deprive these employees of the benefits which they had enjoyed on the footing that they were Class III employees, the Bank did not affect the terms and conditions which had been applied to them wrongly. The Bank has pointed out that the post of a record clerk is a promotional post in Class IV and no direct recruitment is made thereto.

3.38. This demand was made by the Association by an amendment to its claim by an application made as late as 11th December 1961. There is no merit in the demand. These employees having got the benefit of the terms and conditions of service applicable to Class III staff through oversight, a demand is now made that they should be paid on the basis of the scales of pay applicable to clerks grade II. They are not entitled to receive such benefit. These employees will be governed by the scales of pay applicable to record clerks, being Class IV staff under this award. As the Bank has allowed them to enjoy the other benefits applicable to Class III staff, they will enjoy the other benefits applicable to Class III staff under this award.

3.39. A demand has been made that there should be one single grade for electricians. There is a substantial difference in the scales of pay at present provided for electricians in grade I and grade II, the scale of pay for electricians in grade I being Rs. 120—10—190—EB—15—310, whilst the scale of pay for electricians in grade II is Rs. 100—8—140—EB—10—250. No case is made out for prescribing a single grade for electricians and I am retaining the two grades for electricians.

3.40. As regards stenographers, the Association has demanded one single grade with a scale of pay of Rs. 325—20—425—25—650. At present there are two grades of stenographers employed in the Reserve Bank. Both these grades are promotional grades. The present scale of pay of stenographer grade I is Rs. 220—15—320—EB—20—360, whilst the scale of pay for stenographer grade II is Rs. 120—10—190—EB—15—325. The Association has submitted that the nature of duties performed by stenographers being the same, it was not necessary to maintain two grades of stenographers. It has filed a list of duties performed by stenographers grade I and grade II in support of its claim. The Reserve Bank has opposed the demand and has stated that the post of a stenographer in the Bank was a promotional post and no direct recruitment was made thereto, that a panel was maintained in order of seniority of typists who pass a test and as and when vacancies arose in grade II normally the seniormost on the panel was promoted, that vacancies in grade I were filled on the basis of seniority-cum-merit and that it would be wrong to have only one scale for stenographers. The Reserve Bank has further stated that if there was to be one running scale for stenographers, the Bank should be at liberty to recruit qualified and experienced stenographers from outside. Having considered all aspects of the matter and

the evidence led before me, in my view, it is not necessary to provide only one single grade for stenographers, as suggested by the Association.

3.41. The punch operators are at present being given an amount of Rs. 15 per month by way of machine allowance which does not count as 'pay'. A demand has been made that they should receive a sum of Rs. 15 by way of special pay in addition to what they would be entitled to receive in the scale applicable to them. Shri Nargolkar, the learned Advocate on behalf of the Association, has stated that the minimum qualification required of a punch operator is the passing of the Matriculation or the Secondary School Certificate Examination and at least six months' training under the International Computers and Tabulators. There are about 32 punch operators employed in the Reserve Bank. Having fully considered the matter, I direct that punch operators be given a sum of Rs. 15 by way of special pay over and above what they are entitled to receive under the scale of pay provided for them.

3.42. At present there are two grades of telephone operators. The scale of pay for telephone operators grade I at Bombay and Calcutta is Rs. 120—10—190—EB—15—310 and the span is 18 years. The scale of pay for telephone operators grade II is Rs. 90—5—100—8—140—EB—10—250—EB—12½—275 and the span is 21 years. The Association has demanded that there should be one common grade for telephone operators. At the hearing Shri Nargolkar stated that there were in all 10 grade I telephone operators out of whom 7 were at Bombay and 3 at Calcutta, that, at all other places there were grade II telephone operators, that there was no distinction in the nature of work or duties and that there was no justification for having two grades. He further contended that telephone operators were always on par with clerical staff and there was no justification for a difference in the grades of clerks grade II and telephone operators grade II. At present there is a substantial difference between the two grades of telephone operators both as regards the minimum and the maximum in the scale of pay as well as in connection with the span. Apart from the duties and responsibilities of telephone operators the pressure of work has also to be considered. Having considered all aspects of the matter, I am retaining both the grades.

3.43. The tabulator operators and the sorter operators are getting a machine allowance of Rs. 15 per month in addition to the pay. A special pay of Rs. 30 is demanded by the Association for them. Having considered all the arguments advanced in this connection, I direct that a special pay of Rs. 15 be given to them in addition to what they are entitled to receive by way of pay in accordance with the scales of pay fixed for them.

3.44. As regards clerks in grade I and coin/note examiners grade I and "mechanic-cum-operator" (Nagpur) they are at present governed by the scales of pay applicable to clerks grade II and in addition are receiving special pay. I have considered all the exhibits and all the submissions made on their behalf. I direct that they will be governed by the scale of pay applicable to clerks grade II and coin/note examiner grade II under this award and that clerks grade I and coin/note examiners grade I will receive, in addition, by way of special pay, Rs. 12 per month instead of Rs. 10 as at present and that mechanic-cum-operator (Nagpur) will receive a special pay of Rs. 18 per month instead of Rs. 15 as at present.

Grant of advance increments to Graduates and the grant of increments and honoraria to workmen completing the Institute of Bankers' Examination

3.45. The Reserve Bank has filed an exhibit showing that it is at present giving a special increment of Rs. 10 per mensem to graduates who have secured a second class or a still higher class and who are recruited to the Bank's service, either as clerks grade II or coin/note examiners grade II or typists. No distinction is made between graduates and double graduates in the matter of advance increments. It has further stated that an advance increment of Rs. 10 per month is granted also to employees who graduate after joining the Bank's service provided that as a result of obtaining such degree the employee concerned would be eligible for recruitment in the Bank's service as a graduate clerk in the normal course, i.e., the employee concerned should obtain the degree in the

second or still higher class, and where no class is declared by the university, the employee has obtained 45 per cent marks or more in the aggregate in the degree examination. This benefit is available only to typists, clerks grade II, clerks grade I and coin/note examiners grade II and coin/note examiners grade I. In the event of a person obtaining a post graduate degree, he would be entitled to such increment irrespective of the class in which he might have passed the examination. The above increment is not available to any employee in Class IV and the Bank has stated that so far as it is aware, there is no graduate among Class IV employees employed by the Bank.

3.46. The Association has pleaded that in or about the year 1946, the Bank accepted the principle of granting advance increments to the employees who acquired degrees, at the rate of Rs. 15 to graduate and Rs. 20 to double graduates, restricting the benefit to such of the employees who were in the substantive grade of clerks grade II, that subsequently in or about the year 1952, the Bank restricted the benefit to only such of the employees who were in service at that time and obtained degrees by 1957; that this time limit was later extended to October 1958, that in or about the year 1953 the Bank reduced the increment to Rs. 10 and made it available to those who entered the Bank as graduates and that subsequently the Bank has adopted its present policy. The Association has pleaded that stenographers and other categories in Class III were unjustifiably excluded from the scope of this benefit and that the quantum was unjustifiably low and required revision. The Association has demanded that advance increments should be granted at the rate of 3 increments for graduates and 4 increments for double graduates. It has claimed that these increments should be granted to all employees in Class III.

3.47. The Bank has opposed the demand made by the Association. The Bank has stated that the present practice was fair and adequate, that it would be wrong in principle and in equity to grant increments to a person who graduates while in service, that such person did not necessarily become of more use to the Bank and may only be equipping himself with an additional qualification, that it may well be that a clerk who graduates while in service may not be as useful or efficient as another clerk who, due to circumstances, did not have the opportunity of graduating and that it would be most inequitable to the latter clerk if merely because the former clerk has graduated, he should receive increments. It has further pleaded that it was wrong in principle to give larger increments to a person who becomes a double graduate. Without prejudice, the Bank has also submitted that it was wrong in principle to grant increments rather than a lump sum payment as, if the Association's demand for grant of several increments was accepted, the grant of these increments at any time during the service would result in unequal benefit to different employees, the benefit being more in the case of employees who graduate in the later years of service because of the higher rate of increments at those stages.

3.48. At the hearing, Shri Palkhivala, the learned counsel for the Reserve Bank, strongly contended that there was no justification for a demand for increase in the present benefits as it made no difference to the Bank whether the employees passed a degree examination or not. On behalf of the Bank it was urged that the present quantum of increments was reasonable and should not be increased, that the practice of giving benefit only to second class graduates was reasonable and the benefit should not be extended to graduates who pass in the pass class, that the present standard of education was so low that those who got pass class did not deserve any increments and that the policy of the Bank was to recruit only second class graduates.

3.49. I have dealt with this question in my award in Reference No. 1 of 1960 in paragraph 5.234 onwards. I have there provided for a special allowance of Rs. 10 per month to all graduates without any limitation as regards the class in which they pass. Having considered all aspects of the matter I direct that all members of Class III staff who are already in the service of the Bank who are graduates, who have hitherto not received any increment, be given a special pay of Rs. 10 per month. I further direct that those members of Class III staff who have already received an increment of Rs. 10 or more for graduation do receive the amount of such increment as special pay instead of such increment. For the purpose of fitting such employees in the new scales of pay the amount of such increment received by them will not be taken into account. I further direct that a special pay of Rs. 10 per month be given to all members of Class III staff who, at the time when they join the service of the Bank are graduates or who

at a subsequent stage, become graduates of any university irrespective of the class in which they pass the degree examination. No extra amount will become payable for double graduation. This special pay will be payable to them so long as they remain as members of Class III staff.

Institute of Bankers' Examination

3.50. The Reserve Bank is at present paying an honorarium of Rs. 125 to Class II staff for passing part I of the Institute of Bankers' Examination, and an honorarium of Rs. 250 for passing part II of the said examination. As regards Class III staff, it is giving a special increment of Rs. 5 per month, or in the alternative, an honorarium of Rs. 125 at the option of the employee, for passing part I of the said examination. It is giving a special increment of Rs. 10 or an honorarium of Rs. 250 at the option of the employee, for passing part II of the said examination.

3.51. The Association has demanded that for passing part I of the aforesaid examination, there should be one increment in the demanded time-scale or an honorarium of Rs. 200 at the option of the employee and that for passing part II of the examination there should be two increments in the demanded time-scale or, in the alternative, an honorarium of Rs. 400 at the option of the employee.

3.52. The Reserve Bank in reply has pleaded that the present practice and quantum were adequate and there was no case for any upward revision as demanded. It has submitted that it was wrong in principle to demand increments instead of a lump sum. It has stated that a bright employee may pass his examination at the first attempt at the beginning of his career, whereas a less bright employee may pass his examination after several attempts when he had progressed in his time scale, and has pleaded that if the demand was conceded, the increments would be disproportionate to the relative intelligence of the two clerks. The Bank has opposed the demand made by the Association.

3.53. The lump sum honoraria in lieu of special increments fixed by the Reserve Bank are somewhat low and need to be raised. Having considered all aspects of the matter, I direct that for workmen employed as Class II staff governed by this award, an honorarium of Rs. 200 should be paid for passing part I of the aforesaid examination, and an honorarium of Rs. 400 should be paid for passing part II of the said examination. As regards Class III staff, I direct that a special pay of Rs. 5 or a lump sum honorarium of Rs. 200 at the option of the employee should be paid for passing part I of the said examination and a special pay of Rs. 10 or a lump sum honorarium of Rs. 400 at the option of the employee should be paid for passing part II of the aforesaid examination. I further direct that those who have already received such special increment or increments do receive the amount of such increment or increments as special pay in lieu of such increment or increments. For the purpose of fitting such employees in the new scales of pay such increments received by them will not be taken into account.

Diplomas in Co-operation and Industrial Finance

3.54. The Reserve Bank is at present paying to employees in Class II and Class III a special honorarium of Rs. 75 for obtaining a diploma in "Co-operation" and a special honorarium of Rs. 75 for obtaining a diploma in "Industrial Finance". The Association has demanded an additional honorarium of Rs. 100 for obtaining each of the aforesaid diplomas. The knowledge obtained by these diploma holders is likely to prove of use to the Bank in some of its departments. The honorarium of Rs. 75 is somewhat low and I direct that a lump sum honorarium of Rs. 100 be given to members of Class II and Class III staff who obtain a diploma in the optional subject of "Co-operation" and a similar amount of those members of Class II and Class III staff who obtain a diploma in the optional subject of "Industrial Finance".

Class II Staff

3.55. From an exhibit filed by the Reserve Bank the various categories of Class II staff employed in the Reserve Bank are set out below with the scales of pay provided by the Bank for them and the total emoluments liable to be paid

to them at various centres in the first year of service and when they reach the maximum in the incremental scales of pay:—

Appointments	Scale of pay	Existing total Emoluments paid by the Reserve Bank of India			
		Bombay and Calcutta	New Delhi, Madras, Kanpur and Ahmedabad	Bangalore and Hyderabad	Other Centres
1	2	3	4	5	6
Staff Assistants	Rs. 250—25—450—EB— —25—650.	382.50 (865.00)	382.50 (865.00)	355.00 (795.00)	355.00 (795.00)
Research Superintendents.	Rs. 300—25—400—EB— —25—650	452.75 (850.00)			
Superintendents	Rs. 275—25—375—EB— 25—500—EB—25—650	425.75 (850.00)	421.75 (845.00)	383.75 (775.00)	377.75 (765.00)
Sub-Accountants	Rs. 275—25—375—EB— 25—500—EB—25—650	425.75 (850.00)	421.75 (845.00)	383.75 (775.00)	377.75 (765.00)
Deputy Treasurers, Bombay and Calcutta.	Rs. 450—25—650	632.75 (850.00)			
Deputy Treasurer, Gauhati.	Rs. 375—25—550				487.75 (660.00)
Deputy Treasurer, Hyderabad.	Rs. 350—25—500			468.75 (632.75)	
Assistant Treasurers	Rs. 300—25—450	452.75 (632.75)	448.75 (627.75)	408.75 (582.75)	402.75 (577.75)
Personal Assistant to Governor.	Rs. 320—30—650	474.75 (850.00)			
Personal Assistants	Rs. 325—25—550	480.75 (735.00)			
Caretakers, Gr. I (Bombay and Calcutta).	Rs. 275—10—325—EB— 12½—400	425.75 (577.75)			
Supervisor, Estate Department (Bombay).	Rs. 250—15—310—EB— 20—550.	387.75 (735.00)			

(Figures in brackets pertain to maximum emoluments).

(Figures above them pertain to emoluments in the first year of service).

NOTE.—The existing emoluments paid by Reserve Bank of India for various appointments have been worked out on the following basis :—

(1) Pay

- (2) Local Pay 10% of pay with a minimum of Rs. 10 per mensem rounded up to the next higher complete rupee admissible at Bombay, Calcutta, Madras, New Delhi, Kanpur and Ahmedabad.

(3) *Dearness Allowance :*

For pay (including local pay)	Amount of Dearness Allowance
Above Rs. 200 but not more than Rs. 250 . . .	Rs. 55 p.m.
Above Rs. 250 but not more than Rs. 300 . . .	Rs. 65 „
Above Rs. 300 but not more than Rs. 400 . . .	Rs. 75 „
Above Rs. 400 but not more than Rs. 500 . . .	Rs. 85 „
Above Rs. 500 but not more than Rs. 600 . . .	Rs. 90 „
Above Rs. 600 but not more than Rs. 700 . . .	Rs. 95 „
Above Rs. 700	Rs. 100 „

NOTE.—Employees drawing basic pay upto Rs. 500 are eligible for Dearness Allowance as above plus Rs. 15 p.m.

(4) *House Rent Allowance :*

(a) Staff Assistants—10% of pay (including Local Pay) with a maximum of Rs. 50 per mensem.

(b) Other Staff—

Pay Range (including local pay)	Bombay and Calcutta	New Delhi, Madras, Kanpur, Bangalore, Ahmedabad and Hyderabad	Other Centres
10% of pay with a minimum of—	Rs. 12 p.m.
and maximum of—			
upto Rs. 400	Rs. 20 „	Rs. 16 p.m.	Rs. 10 p.m.
Above Rs. 400 but not more than Rs. 500.	Rs. 25 „	Rs. 20 „	Rs. 15 „
Above Rs. 500 but not more than Rs. 600.	Rs. 30 „	Rs. 25 „	Rs. 20 „
Above Rs. 600	Rs. 35 „	Rs. 30 „	Rs. 20 „

(5) *Family Allowance.*—Rs. 10/- per child with a maximum of Rs. 30 p.m. admissible after 5 years of service (including temporary service) provided that the total of pay (excluding the element of local pay) and family allowance does not exceed Rs. 550/ p.m. Family allowance of Rs. 12.75 p.m. has been notionally taken for the purpose of calculation of the total emoluments.

3.56. The Association has demanded a pay scale of Rs. 400—30—760, for “Superintendent, Assistant Treasurer, Personal Assistant, Staff Assistant, Care-taker Grade I, Supervisor Premises Section” and has demanded for Sub Accountant and Deputy Treasurer “Rs. 50 special pay in the above scale”. In the original statement of claim filed by the Association, all these categories except the category

of Supervisor Premises Section, were described as supervising cadre, in paragraph 46. In paragraph 46 it was stated in clause (c) as under:—

“the supervising grade comprises Superintendents, Assistant Treasurers, Personal Assistants, Staff Assistants and Caretaker Grade I whose duties are of routine supervisory nature and are generally in-charges of Sections in the Department. The different pay-scales at present obtaining for different categories in the supervisory grade have been unified in view of the similarity in the nature of functions and other duties. They should be paid a scale of pay higher than that of the intermediate grade in view of the higher responsibilities. For the post of Sub-Accountant and Deputy Treasurer who are vested with special powers like signing of cheques, etc., a Special Pay of Rs. 50 to compensate their additional responsibility and risk involved is justified.”

On 29th May 1961, the Association made an application for amendment in which it has been stated that the expression “supervisory staff” had been used in the statement of claim as originally filed in a loose manner, that the “question whether any cadre is actually employed in a supervisory capacity so as to fall within or without the definition of workmen” was a mixed question of law and fact, and that the Association should not be concluded on the questions of fact because of an unhappy expression. I permitted the amendment to be made as demanded and the Association has deleted the expression “Supervising Cadre” and in the aforesaid clause (c) has, from the words “the supervising grade comprises Superintendents, Assistant Treasurers, Personal Assistants, Staff Assistants and Caretaker Grade I whose duties are of routine supervisory nature”, deleted the word “supervisory”. The question whether a person is employed in a supervisory capacity has to be decided having regard to the nature of duties attached to the post.

3.57. The Reserve Bank has pleaded that the present reference covers only those employees who fall within the definition of workmen contained in the Industrial Disputes Act, 1947. It has submitted that in the case of the Reserve Bank employees in the supervisory category who draw wages exceeding Rs. 500 per month, the Tribunal would have no jurisdiction to fix the scales over an amount which together with all other emoluments falling within the definition of “wages” in the Act would exceed Rs. 500 per month. It has submitted that the Tribunal should not prescribe pay scales for the supervisory cadre in the Reserve Bank as the same would be ineffective inasmuch as “a recruit to the lowest supervisory cadre will draw over Rs. 500 per month by way of emoluments after three years of service at a local pay centre and after five years at a non local pay centre”. It has further pleaded that it should be borne in mind that the majority of the members of the supervisory cadre had entered the cadre by promotion and it may well be that even prior to the promotion, a promotee may be drawing over Rs. 500 per month by way of emoluments or very near to that figure. It has further submitted that the Tribunal would have no jurisdiction to prescribe such a scale for the supervisory cadre as would result in total emoluments exceeding Rs. 500 per month becoming payable at any stage of the scale.

3.58. Shri Nargolkar, the learned Advocate for the Association at the hearing submitted that looking to the nature of the duties performed by these employees their duties were not of a supervisory nature and that they could not be stated to have been employed in a supervisory capacity. Having regard to the duties performed by these employees as shown by extracts from various manuals of various departments of the Bank which have been exhibited before me, I have come to the conclusion that excepting the personal assistant to the Governor and personal assistants all other employees in Class II are employed to do supervisory work and are employed in a supervisory capacity within the meaning of section 2(s) of the Industrial Disputes Act, 1947. Such of them as draw wages as defined in section 2(rr) of the Industrial Disputes Act, 1947, exceeding Rs. 500 per mensem are clearly not workmen in view of the provisions contained in section 2(s) of the Act which lays down that the expression “workman” does not include any person employed in any industry to do * * * supervisory * * * work for hire or reward, whether the terms of employment be expressed or implied, who “being employed in a supervisory capacity, draws wages exceeding five hundred rupees per mensem”. In the result, I hold that Personal Assistant to the Governor and Personal Assistants are workmen and those employed in other categories in Class II who draw wages exceeding Rs. 500 per mensem are not workmen. As Personal Assistant to the Governor and Personal Assistants are workmen I am making this award applicable to them.

3.59. I shall now proceed to deal with the case of the remaining categories of employees in Class II. Shri Nargolkar has contended that persons who are at present workmen can raise an industrial dispute as regards their own service conditions not only at all stages when they continue to be workmen but also at a stage when they cease to be workmen and continue in service of the same employer. He further contended that workmen can raise an industrial dispute for employees in the same establishment who are non-workmen right from the start, provided they have a direct or substantial interest in the dispute of those non-workmen and have a community of interest with them. Shri Palkhivala, the learned counsel for the Reserve Bank strongly urged that the Tribunal had jurisdiction in respect of the members of the supervisory staff only to provide such a scale that coupled with other emoluments and benefits covered by the definition of the expression "wages" the ceiling of Rs. 500 would not be exceeded. He urged that merely because a person happened to be a workman at the time of the adjudication a scale cannot be provided which would convert him into a non-workman at any future stage in the scale. He urged that the relationship of employer and workmen must exist at three points of time—(i) at the time of the dispute, (ii) at the time of the adjudication and (iii) during the currency of the award. He stated that it is to the employee as a workman that the award applies, that it is for his benefit as a workman that the award is made and that it is in his character as a workman that the award can be enforced by him.

3.60. More or less similar arguments were advanced in Reference No. 1 of 1960. I have dealt with the matter at some length in my award in Reference No. 1 of 1960 in paragraphs 5.206 to 5.214. For every one of the persons employed in a supervisory capacity the Association has claimed 'wages' within the meaning of the Industrial Disputes Act, 1947, which at the very commencement of the employment are in excess of Rs. 500. If such a demand is acceded to, there would be no person in Class II staff employed in a supervisory capacity by the Reserve Bank who would be a workman. It is a demand to convert all the persons belonging to Class II staff who are employed in a supervisory capacity and who may be at present workmen, into non-workmen and for the reasons given by me in my award in Reference No. 1 of 1960 I have no jurisdiction to do so. For the reasons stated by me in my said award, I hold that even though by reason of the community of interest the workmen may be entitled, having regard to the definition of the expression "industrial dispute", to raise a dispute in connection with the terms of employment of themselves when they become non-workmen by reason of their wages exceeding the limit of Rs. 500, it is not open to the Central Government to refer an industrial dispute concerning the scales of pay applicable to a non-workman or the remuneration payable to a non-workman to a National Tribunal for adjudication. Having regard to the reasons given in that award, I hold that the expression "scales of pay and method of adjustment in the scales of pay" in Schedule I to the order of reference dated 21st March 1960 whereunder matters between the Reserve Bank and its workmen have been referred to me for adjudication, would not cover the fixation of scales of pay for non-workmen, having regard to the powers of the Central Government to make such a reference. Apart from any other consideration, a large number of employees in Class II who are employed in a supervisory capacity, being non-workmen are not before me. The scales of pay which I am asked to fix would materially affect them and even if I had otherwise the jurisdiction to fix the scales of pay for them, I would not be justified in doing so in their absence and without hearing what they have to say in the matter. As regards the workmen who are employed in a supervisory capacity who are before me and who are in fact drawing wages not exceeding Rs. 500 per mensem in the aggregate. I do not consider it right or proper to fix for them scales of pay which would enable them to draw wages in the aggregate only upto Rs. 500 and if I did so I would in no sense be doing justice to them or to their demands.

3.61. In the result, I am making no award which would govern the scales of pay or any other terms or conditions of service applicable to workmen employed in the Reserve Bank in a supervisory capacity belonging to Class II staff and they are excluded from the operation of the present award.

3.62. The Union has demanded one single scale of pay for Class IV staff, namely, Rs. 145—7—187—8—235—11—290, the span being 18 years. It has demanded a special pay for 26 different categories of workmen falling within Class IV. The Reserve Bank has submitted that the grant of one scale of pay for all categories of employees would be a retrograde step. For reasons similar to those given by me in connection with the demand for only two scales of pay

for Class III staff, I am unable to accede to the demand of the Union for one single scale of pay with a provision for special pay for several categories of workmen.

3.63. The Bank is at present giving a special pay of Rs. 5 to air conditioning plant attendant (Bombay, New Delhi and Madras), sub-station attendant (New Delhi) and mazdoor attached to the Governor's residence at Bombay. The Bank is also giving a special pay of Rs. 10 to head mazdoor attached to the Governor's residence at Bombay, and a special pay of Rs. 10 to Jamadar grade I at Bombay. I am continuing the respective amounts of special pay for the aforesaid categories of workmen and direct that the same be paid to them. The "Bank Guards" at Ludhiana and Jaipur are receiving a rifle allowance of Rs. 9 per month. I direct that in lieu of rifle allowance of Rs. 9 they do receive a special pay of Rs. 9. They will be entitled to receive this special pay so long as they satisfy the conditions which now entitle them to receive the rifle allowance.

3.64. On behalf of the Union, a demand has been made that a special pay of Rs. 10 per month be given to all employees in Class IV who have passed the Matriculation or equivalent examination, that a special pay of Rs. 15 be given to all those who have passed the Intermediate Examination and a special pay of Rs. 20 be given to those who are graduates. At the hearing it was stated on behalf of the Reserve Bank that at present there are no employees in Class IV who are graduates and that for psychological reasons it is the policy of the Bank not to recruit graduates as Class IV employees. I am not therefore giving any directions in this respect. As regards the passing of the other examinations the Reserve Bank has pleaded that the aforesaid educational qualifications were "totally unnecessary for the performance of their duties by Class IV staff" and that the demand was not justified. I am not satisfied about the necessity of giving a special pay as demanded for them and I am unable to accede to the same.

3.65. A demand has been made that cycle peons should be given a special pay of Rs. 15 per month. The Reserve Bank has pleaded that the claim was not justified as it would amount to a cash payment for a convenience afforded by the Bank. In my view, no case is made out for the grant of any special pay and the demand is rejected.

3.66. A demand has been made that "Punching and Stitching Mazdoors" be given a special pay of Rs. 15 per month. The Reserve Bank has pleaded that punching and stitching work were part of the duties of these mazdoors and that these was no justification for a special pay. In my view, no case is made out for the grant of any special pay and the demand is rejected.

3.67. A demand has been made that "mazdoors attached to electricians and having passed the wireman examination should be paid a special pay of Rs. 15 per month". The Reserve Bank in reply has pointed out that the work that mazdoors attached to electricians are required to do is not such as needs any qualifications, that they are unskilled labourers attached to electricians and that the demand for special pay was not justified. No case is made out for the grant of a special pay and the demand is rejected.

3.68. A demand has been made by the Union under item No. 4 in Schedule II to the order of reference that mazdoors attached to electricians should be paid an allowance of Rs. 15 per month. The Union has stated that the nature of the work calls for extra care and diligence and also involves considerable risk to the safety of the person concerned attending to this work and that a minimum allowance as demanded by the Union only could compensate the workmen for the risk and the diligence expected of them. The Bank has resisted the claim and denied that the nature of work called for extra care or diligence or involved considerable risk as alleged. It has stated that the work done by the mazdoors was purely unskilled work, the technical work being done by the electricians. No case has been made out for payment of any such extra allowance and the demand made is rejected. At the hearing it was stated on behalf of the Bank that at the Bangalore office of the Bank where there is no electrician, the mazdoor who does some electrical work is given a special allowance of Rs. 5 because of the extra work that he is doing. I direct that a special pay of Rs. 5 be given to the mazdoor doing electrical work at Bangalore.

3.69. A demand has been made for a special pay of Rs. 40 per month for "Head Malis". According to an exhibit filed by the Bank there was at one time a head mali at the Governor's residence at Bombay who was drawing Rs. 5 as

special pay per month. It is stated that the said post was abolished in the year 1956. In view thereof, no directions are given in connection with this demand.

3.70. Save as herein provided the demands made for special pay for various categories of Class IV staff are rejected.

Local Pay

3.71. In order to compensate the employees for the costliness of some of the places where the Reserve Bank has its offices, the Bank is giving a local pay equivalent to ten per cent of the pay to Class II and Class III staff with a minimum of Rs. 10 per month rounded up to the next higher complete rupee and is giving a local pay of Rs. 10 to Class IV staff. The places where local pay is given are Bombay, Calcutta, Madras, New Delhi, Kanpur, and Ahmedabad. The places where such local pay is not given are Bangalore, Nagpur, Lucknow, Hyderabad, Patna, Gauhati, Trivandrum, Indore, Ludhiana and Jaipur.

3.72. The Association has demanded that local pay should be granted to the employees working in different places on the following basis:—

- | | |
|--|-----------------------|
| (a) for places with population up to 5 Lakhs | 5% of the basic pay. |
| (b) for places with population above 5 Lakhs | 10% of the basic pay. |

The Association has stated that "for the purpose of this allowance, the latest Municipal population figures of a particular place should be taken as basis."

3.73. The Union has claimed that local pay should be paid to the employees by the Bank at all centres to cover up a portion of the increased cost of living, and that the reasonable minimum amount for centres like Bombay, Calcutta, Madras, Ahmedabad, New Delhi, Kanpur, Hyderabad, Bangalore, Nagpur and Lucknow would be Rs. 15 per month, and for other centres, Rs. 10 per month.

3.74. The Reserve Bank, in its reply, has pleaded that the Bank had uniform scales of pay in all its offices and it was only at costlier places that local pay was given, that in the case of the commercial banks, costlier places were listed in Area I and higher pay scales were prescribed, whereas for other areas, lower pay scales were awarded and that in the case of the Reserve Bank of India, the pay scales broadly followed the pay scales prescribed for A Class banks in Area I by the Labour Appellate Tribunal decision with the result that the Reserve Bank employees in Areas II and III drew more than the employees in commercial banks. The Reserve Bank has opposed the demands made by the Association and the Union.

3.75. The demand for a local pay for all places where the Reserve Bank has its offices is contrary to the basic concept of local pay, namely, a provision for places which were costlier than other places at which the Bank had its offices. A demand for local pay for all places is a demand for increase in the scales of pay for all places and cannot be made under the guise of local pay.

3.76. The Reserve Bank is at present giving local pay at Bombay, Calcutta, Madras, New Delhi, Kanpur and Ahmedabad. Of these places, Bombay, Calcutta, Madras, New Delhi and Ahmedabad fall within Area I under my award in Reference No. 1 of 1960. Having considered the case of Hyderabad, I have in the said award included the said place in Area I. For the purpose of the current census, Hyderabad includes the areas falling within Hyderabad Municipal Corporation Limits, Secunderabad, Secunderabad Cantonment and outlying urban units being University Area, Malkajgiri, Alwal, Zamistapur, Attapur, Fathenagar, Bow-enpalli, Lalagunda, Kandikal and Machabollurum. The provisional official 1961 Census population figure for the said city is 12,52,337. Hyderabad is now the capital of the enlarged State of Andhra Pradesh and has acquired special significance by reason thereof. In my view, Hyderabad should be treated on the same footing as other local pay centres.

3.77. In my award in Reference No. 1 of 1960, I have after considering the case of Bangalore included the said place in Area I. As regards the City of

Bangalore, the population of Metropolitan Bangalore comprising (a) areas falling within the Bangalore corporation Limits, (b) areas notified under the Bangalore City Improvement Trust Board Act, excluding satellite townships and (c) satellite towns within the Trust Board area, is already above 12 lacs according to the provisional official population figures of 1961 census. Bangalore is now the capital of the enlarged State of Mysore. It is a highly developed industrial area and it is in the fitness of things that the City of Bangalore is treated on the same footing as other local pay centres. Under my award in Reference No. 1 of 1960, cities with population above 12 lacs have been treated as falling within Area I for the purpose of awarding higher scales of pay. The scales of pay of the employees of the Reserve Bank at those places should bear comparison with the scales of pay of employees in A Class banks.

3.78. The amount of local pay given by the Reserve Bank has all the incidence of pay and has the same effect as an increase in the basic pay. Instead of providing a special local pay for the employees of the Reserve Bank at Bombay, Calcutta, Madras, New Delhi, Kanpur, Ahmedabad, Hyderabad and Bangalore (hereinafter referred to as higher pay centres), I am providing separate scales of pay for them, merging therein the local pay which would otherwise have been provided for the employees at the said centres.

3.79. Having carefully considered all aspects of the matter and all the evidence led in the case, I fix the following scales of pay for various categories of Class II, Class III and Class IV staff of the Reserve Bank:—

Class II Staff.

At higher pay centres.

1. Personal Assistant to the Governor	Rs. 425—33—755—35—790
	(1 10 1 years)
2. Personal Assistant	Rs. 435—27—651—29—680
	(1 8 1 years)

Class III Staff.

At higher pay centres.

1. Clerk, Grade II, Coin-Note Examiner, Grade II, Field Investigator, Punch Operator, Assistant Caretaker (New Delhi).	Rs. 155—5—165—8—181—10—211—EB—10—221—12—305—15—365—EB—
	(1 2 2 3 1 7 4
	15—380—20—420
	1 2 years)
2. Clerk, Grade I, Coin-Note Examiner, Grade I	Rs. 155—5—165—8—181—10—211—EB—10—221—12—305—15—365—EB—
	(1 2 2 3 1 7 4
	15—380—20—420
	1 2 years)
	Plus Special Pay of Rs. 12/- per month.
3. Compounder, Grade II	Rs. 140—5—190—6—220
	(1 10 5 years)
4. Compounder, Grade I (Bombay and Calcutta) }	Rs. 155—5—165—8—181—10—211—EB—10—221—12—305—15—350
	(1 2 2 3 1 7 3 years)
5. Telephone Operator, Grade II	Rs. 155—5—165—8—181—10—211—EB—10—221—12—305—15—350—EB—
	(1 2 2 3 1 7 3
	20—390
	2 years)

6. Electrician, Grade II, Assistant Air Conditioning Plant Operator.	Rs. 165—8—181—10—211—EB—10—221—12—305—15—350 (1 2 3 1 7 3 years)
7. Typist, Typewriter Mechanic (Bombay)	Rs. 165—8—181—10—211—EB—10—221—12—269—15—299—EB—16—395— (1 2 3 1 4 2 6 17—412—18—430 1 1 years)
8. Comptometer Operator, Adrema Mechine Operator (Bombay and Calcutta).	Rs. 185—8—193—10—233—EB—12—305—15—350—EB—15—380—20—420 (1 1 4 6 3 2 2 years)
9. Tabulator Operator, Sorter Operator (Bombay)	Rs. 185—8—193—10—233—EB—12—329—13—342—15—417—18—435 (1 1 4 8 1 5 1 years)
10. Junior Draftsman (Bombay)	Rs. 185—12—281—15—296—EB—15—356—18—410—20—430 (1 8 1 4 3 1 years)
11. Translator	Rs. 185—8—193—10—233—EB—12—269—15—299—EB—16—395—17—412— (1 1 4 3 2 6 1 18—430 1 years)
12. Telephone Operator, Grade I (Bombay and Calcutta) Electrician Grade I (Bombay).	Rs. 185—12—269—EB—20—409—21—430 (1 7 7 1 years)
13. Stenographer, Grade II	Rs. 185—12—269—EB—20—429—21—450 (1 7 8 1 years)

14. Caretaker, Grade II	Rs. 221—12—269—EB—20—409—21—430 (1 4 7 1 years)
15. Welfare Assistant (Bombay)	Rs. 221—12—245—15—290—18—470 (1 2 3 10 years)
16. Air-Conditioning Plant and Electrical Supervisor	Rs. 255—15—270—16—430—20—450 (1 1 10 1 years)
17. Supervisor, Machine Section, Senior Draftsman, Banking/ Statistical/Central Office/Language Assistant (Bombay), Economic Assistant (Bombay, Calcutta, New Delhi, Madras), Field Inspector (Bombay).	Rs. 255—15—270—16—398—21—419—EB—21—482—22—570. (1 1 8 1 3 4 years)
18. Teller	Rs. 285—16—461—19—480 (1 11 1 years)
19. Stenographer, Grade I, Technical Assistant (Bombay)	Rs. 285—18—303—20—443—EB—20—463—22—485 (1 1 7 1 1 years)

At centres other than higher pay centres.

20. Clerk, Grade II, Coin-Note Examiner, Grade II	Rs. 145—5—165—8—181—10—191—EB—10—221—12—305—15—320—EB— (1 4 2 1 3 7 1 15—380 4 years)
21. Clerk, Grade I, Coin-Note Examiner, Grade I	Rs. 145—5—165—8—181—10—191—EB—10—221—12—305—15—320—EB—15— (1 4 2 1 3 7 1 4 380 years) Plus Special Pay of Rs. 12 per month.

22. Compounder, Grade II (Nagpur)	Rs. 130—5—205. (1 15 years)
23. Telephone Operator, Grade II	Rs. 145—5—165—8—181—10—191—EB—10—221—12—305—15—320—EB— (1 4 2 1 3 7 1 15—350. 2 years)
24. Assistant Air Conditioning Plant Operator (Nagpur)	Rs. 155—5—165—8—181—10—191—EB—10—221—12—305—15—320 (1 2 2 1 3 7 1 years)
25. Typist	Rs. 155—5—165—8—181—10—191—EB—10—221—12—269—BB—15—299— (1 2 2 1 3 4 2 16—395. 6 years)
26. Mechanic-cum-Operator (Nagpur)	Rs. 145—5—165—8—181—10—191—EB—10—221—12—305—15—320—EB— (1 4 2 1 3 7 1 15—380 4 years) Plus Special Pay of Rs. 18 per month.
27. Comptometer Operator	Rs. 175—8—215—EB—8—223—10—233—12—305—15—320—EB—15—380. (1 5 1 1 6 1 4 years)
28. Stenographer, Grade II	Rs. 175—10—215—12—251—EB—12—275—20—415. (1 4 3 2 7 years)
29. Caretaker, Grade II (Nagpur)	Rs. 200—12—248—EB—12—260—20—400 (1 4 1 7 years)

30. Air Conditioning Plant and Electrical Supervisor (Nagpur) .	Rs. 230—10—240—15—270—16—398—17—415.
	(1 1 2 8 1 years)
31. Economic Assistant	Rs. 230—10—240—15—270—16—382—EB—16—398—21—503—22—525.
	(1 1 2 7 1 5 1 years)
32. Teller	Rs. 255—15—285—16—445.
	(1 2 10 years)
33. Stenographer, Grade I	Rs. 255—18—309—20—409—EB—20—429—21—450.
	(1 3 5 1 1 years)

Class IV Staff

At higher pay centres.

1. Peon, Mazdoor, Durwan, Liftman, Cleaner (Farash), Van Cleaner, Khitmatgar, Mali, P.D.O. Inkman (Calcutta), Wireman (Madras), Assistant to Caretaker (Calcutta).	Rs. 100—2—124—1—130.
	(1 12 6 years)
2. Sweeper, Bhisti	Rs. 100—2—120.
	(1 10 years)
3. Air-Conditioning Plant Attendant (Bombay, New Delhi and Madras), Sub-Station Attendant (New Delhi), Mazdoor attached to Governor's residence at Bombay.	Rs. 100—2—124—1—130.
	(1 12 6 years)
	plus Special Pay of Rs. 5 per month.
4. Head Mazdoor (Governor's residence at Bombay)	Rs. 100—2—124—1—130.
	(1 12 6 years)
	plus Special Pay of Rs. 10 per month.
5. Duftries, Jamadar, Grade III, P.D.O. Pressman (Calcutta), Wireman (New Delhi).	Rs. 110—3—140.
	(1 10 years)

6. P.D.O. Compositor (Calcutta)	Rs. 110—5—150.
	(1 8 years)
7. Head Mazdoor	Rs. 115—3—145.
	(1 10 years)
8. Jamadar, Grade II, Gestetner Operator, Viceman	Rs. 120—3—150.
	(1 10 years)
9. Record Clerk	Rs. 120—3—150—EB—2—160.
	(1 10 5 years)
10. Driver Grade II	Rs. 125—5—160.
	(1 7 years)
11. P.D.O. Jamadar (Calcutta)	Rs. 125—5—150—EB—5—175.
	(1 5 5 years)
12. Jamadar, Grade I (Bombay)	Rs. 120—3—150—EB—2—160.
	(1 10 5 years)
	plus Special Pay of Rs. 10 per month.
13. Projectionist (Bombay)	Rs. 140—3—158—EB—4—170.
	(1 6 3 years)
14. Driver, Grade I (Bombay and Calcutta)	Rs. 140—5—190.
	(1 10 years)
15. Plumber, Carpenter—cum—Mason (New Delhi), Electrician/ Mistry (Bombay).	Rs. 140—3—155—4—175—EB—5—200.
	(1 5 5 5 years)

At centres other than higher pay centres.

16. Peon, Mazdoor, Durwan, Liftman, Cleaner (Farash), Khitmatgar, Mali, Bank Guard.	Rs. 90—2—114—1—120.
	(1 12 6 years)
17. Sweeper, Inkman (Lucknow)	Rs. 90—2—110.
	(1 10 years)
18. Duftry, Jamadar, Grade III]	Rs. 100—3—130.
	(1 10 years)
19. Head Mazdoor (Nagpur)	Rs. 105—3—135.
	(1 10 years)
20. Pressman (Lucknow)	Rs. 100—2—120—1—125.
	(1 10 5 years)
21. Gestetner Operator, Viceman	Rs. 110—3—140.
	(1 10 years)
22. Record Clerk (Nagpur)	Rs. 110—3—140—EB—2—150.
	(1 10 5 years)
23. Driver, Grade II (Nagpur)	Rs. 115—5—150.
	(1 7 years)

3.80. The above pay scales are not applicable to part-time employees, apprentices, casual workers, workers employed on daily wages and job workers.

3.81. As stated earlier special pay has been provided for the following categories of workmen:—

Class III Staff

Category	Amount
(1) Senior Compounder at Bombay	Rs. 25 per month.
(2) Punch Operators	Rs. 15 „
(3) Tabulator Operators and Sorter Operators	Rs. 15 „
(4) Clerks, Grade I	Rs. 12 „
(5) Coin-Note Examiners, Grade I	Rs. 12 „
(6) Graduates	Rs. 10 „
(7) Employees belonging to Class III staff who have passed the Institute of Bankers' Examination, Part I	Rs. 5/- per month or a lump sum honorarium of Rs. 200.
(8) Employees belonging to Class III Staff who have passed the Institute of Bankers' Examination, Part II	Rs. 10 per month or a lump sum honorarium of Rs. 400.
(9) Mechanic-cum-Operator (Nagpur)	Rs. 18 per month.

Class IV Staff

(1) Air Conditioning Plant Attendant (Bombay, New Delhi and Madras)	Rs. 5 per month.
(2) Sub-station Attendant (New Delhi)	Rs. 5 „
(3) Mazdoor attached to Governor's residence at Bombay	Rs. 5 „
(4) Head Mazdoor attached to the Governor's residence at Bombay	Rs. 10 „
(5) Jamadar, Grade I at Bombay	Rs. 10 „
(6) Bank Guards at Ludhiana and Jaipur	Rs. 9 „
(7) Mizdoor doing electrical work at Bangalore	Rs. 5 „

Method of Adjustment in the scales of pay

3.82. The Association has submitted that the existing employees should be fitted into the new scales of pay as follows:—

- (i) The present salary for the purpose of adjustment shall mean the salary which an employee would be drawing on the date from which this Honourable Tribunal's Award would be made effective;
- (ii) in no case the present salary of an employee shall be reduced;
- (iii) as regards the monetary benefits enjoyed by an employee, in no case and at no stage of his service should his total emoluments be less than the totality of such benefits under the existing scheme, rule or awards, and that subject to this principle the Bank should be directed to adjust such benefits in the light of the requirements of this Tribunal's award;
- (iv) If the salary of an employee will be less than the minimum of the new scale of pay which would be made applicable to him, his present salary be brought upto the minimum of the new pay scale in the first instance;

- (v) then, all employees should be fitted in the new scales of pay at a point corresponding to the number of years of service they have put in each grade;
- (vi) where a workman has received an additional increment or increments in his basic pay, either at the initial start or by way of special promotion later on, his length of service shall be taken to be the period which would ordinarily be necessary to bring the workman with the usual initial start without special promotion to that basic pay as on the date award becomes effective;
- (vii) an employee who does not advance over his present salary should get over that salary in the new pay scale one increment for every three years of service;
- (viii) for the purposes of counting service for the adjustment of pay, break in the service caused by non-admissibility of leave and break in service for political or other reasons, should be taken into account;
- (ix) employees who have rendered War service prior to their joining the Bank's service shall be given the benefit of one additional increment per year of approved War service."

3.85. The Union has submitted that the existing employees should be fitted into the new scales of pay as follows:—

- "(1) The present salary for the purpose of adjustment shall mean the salary which an employee would be drawing on the date from which this Honourable Tribunal's Award would be made effective;
- (2) In no case the present salary of an employee shall be reduced;
- (3) As regards the monetary benefits enjoyed by the employee in any case and at no stage of an employee's career should his total emoluments be less than the totality of such benefits under the existing scheme, rule or awards, and that subject to this principle the bank may be allowed to adjust such benefits in the light of the requirements of this Tribunal's Award.
- (4) If the salary of an employee will be less than the minimum of the new scale of pay which would be made applicable to him his present salary should be brought upto the minimum of the new pay scale in the first instance.
- (5) Then all employees should be fitted in the new scales of pay at a point corresponding to the number of years of service they have put in the respective grades.
- (6) Where a workman has received an additional increment or increments in his basic pay at the initial start or by way of special promotion later on his length of service shall be taken to be the period which would ordinarily be necessary to bring the workmen with the usual initial start without additional increments to that basic pay as on 31st January 1950 in the then existing scale."

3.84. The Reserve Bank in its reply has pleaded that "in view of the fact that the time or incremental scales have been in existence and generous adjustments were given in 1940, 1948 and 1953, no question can arise of any more adjustment and certainly not point to point adjustments". It is further submitted that if there was to be adjustment at all, it should merely be fitting the employee in the scale if he was not in step in the scale on the date fixed in the award. It is submitted that industrial tribunals grant or refuse to grant adjustments on certain well settled principles and one such principle was that, as a rule point to point adjustment should not be allowed and another principle was that adjustments by way of granting increments should only be considered if the facts were that there had either been no scales of wages in existence before and the workmen had not received reasonable increments or the scales were radically revised and the Tribunal was of the opinion that the workmen have not received fair deal in the past. As regards the Association's reference to break in service caused by non-admissibility of leave, the Reserve Bank has pointed out that this refers to cases of temporary employees in the past whose services were terminated and who were later re-employed. It is further stated that there have also been cases of employees being arrested or convicted for political reasons whose services were dispensed with and who were later on re-employed, their previous service not being taken into account. It is further stated that there have also been cases of employees who suffered from tuberculosis where after extending to them all leave facilities the Reserve Bank was compelled to dispense with their services and who were on being found physically fit re-employed later on

and that in their cases the Reserve Bank took into account their previous service for all purposes except for seniority. It is pleaded that normally the fact of re-employment itself was a concession and that there was no valid reason to take into account the previous service on re-employment except in "T.B." cases. The Reserve Bank has submitted that except in the case where the Reserve Bank itself has counted previous service, I should not accede to the demand of the Association. It is submitted that the employees who join service after having rendered war service should not be given any additional increments and that the concession that the Reserve Bank extended to such recruits was to waive the upper age limit for recruitment.

3.85. At the hearing it was pleaded on behalf of the Bank that the workmen were really asking for an alteration of the seniority records of the Bank under the guise of adjustments.

3.86. I am providing by this award that the provisions herein contained relating to the scales of pay, special pay, dearness allowance and officiating pay will come into operation from the 1st of January 1962 and the workmen will have to be fitted in the new scales of pay as from 1st January 1962. There has been a considerable change in the scales of pay and the same have been fixed with reference to the base year 1949. Having carefully considered all aspects of the matter including the method adopted for fixing the new scales of pay, I direct that workmen should be fitted in the new scales of pay from 1st January 1962 on what I may call stage to stage adjustment basis i.e. a workman who was drawing basic pay at a particular stage in the existing scale will draw basic pay at the same stage in the new scale applicable to him provided under this award. A workman may have reached a particular stage in the existing scale as a result of years of service put in by him or as a result of any extra or advance increments in the scale that may have been given to him or as a result of his progress being retarded by reason of disciplinary or other action taken against him by way of stoppage of increments in the past. There may be other circumstances affecting him which might account for the particular stage in an existing scale reached by him. Whatever may be the stage which he may have reached in the existing scale as on 1st January 1962 will be the stage in the new scale of pay in which he will be fitted. In order to arrive at the basic pay of a workman as on 1st January 1962 in the new scale of pay the number of stages which the workman has covered in the existing scale will be deemed to have been covered by the workman in the new scale of pay, e.g., a clerk grade II employed at Nagpur (non-local pay centre) who was entitled on 1st January 1962 to a basic pay of Rs. 140, which is the 8th stage in the existing scale of pay, viz., Rs. 90—5—100—8—140—E.B.—250—12½—300 will be entitled, as on 1st January 1962, to have a basic pay of Rs. 191 which is the 8th stage in the new scale of pay applicable to him viz. Rs. 145—5—165—8—181—10—191—E.B.—10—221—12—305—15—320—E.B.—15—380. If by any chance a workman in the existing scale of pay is drawing by way of basic pay an amount which does not coincide with any particular stage in the existing scale of pay but it falls between two stages in the scale of pay, then he will be deemed to have reached the higher stage in the scale of pay. However, for the purpose of fitting in the new scales of pay (i) persons who are graduates who have received increments in pay on account of graduation, (ii) persons who have passed Part I of the Institute of Bankers Examination who have received increments in pay by reason thereof and (iii) persons who have passed Part II of the Institute of Bankers Examination who have received increments in pay by reason thereof, as stated by me earlier, the increments received by them as aforesaid will not be taken into account and they will be fitted in the new scales of pay as if such increments on account of graduation or the passing of the aforesaid examinations had not been received by them.

3.87. After a workman is fitted as aforesaid, a question will arise about the time when the increments in the new scale of pay should generally fall due. For this purpose, I direct that the increments in the new scale will generally fall due on the same date on which the increments would have fallen due in the existing scale if the existing scale had been preserved so that the period of service since the date of the last increment in the existing scale will be available to the workman for the purpose of calculating the period for obtaining an increment in the new scale of pay.

3.88. As regards workmen who have joined service between 1st January 1962 and the date when this award becomes enforceable under the provisions of section 17A of the Industrial Disputes Act, 1947, they will be fitted in the new scales of pay on the same principles as those set out above from the dates when they respectively joined service.

3.89. After the adjustment of a workman in the new scales of pay, the efficiency bar or bars in the new scale will apply, but only if the stage for applying the same has not been already reached. Wherever as a result of the adjustment as directed above the total emoluments of a workman under this award made up of basic pay, special pay, dearness allowance, and house rent allowance fall short of his previous total emoluments under the above heads as on 1st January 1962, the difference shall be given to him by way of any additional allowance to be called "temporary adjustment allowance" until such difference is fully absorbed by future increments in the new scale of pay. The right of the Bank to stop annual increments will not be affected by this provision.

3.90. For the purpose of making the requisite adjustments and making payments on account thereof, the Reserve Bank will have a period of three months from the date when the award becomes enforceable under the provisions of section 17A of the Industrial Disputes Act, 1947.

3.91. As regards the demand that persons who have rendered war service prior to their joining the Bank's service, should be given the benefit of one additional increment per year of war service, the Bank has opposed the demand. The last world war ended many years back and I am unable to accede to the demand. As regards the claim made in connection with break in service no case is made out for giving any directions in connection with the same. Save as herein provided the demands made on behalf of the Association and the Union are not granted.

3.92. Under my award, I have provided separate scales of pay for higher pay centres and for centres other than higher pay centres. In case of transfer of employees from a centre other than a higher pay centre to a higher pay centre and vice versa, I give the following directions:—

When an employee is transferred from a centre other than a higher pay centre to a higher pay centre, he will be fitted in the scale of pay applicable to the higher pay centre on the stage to stage adjustment basis referred to above. When an employee from a higher pay centre is transferred to a centre other than a higher pay centre he will also be adjusted in the scale of pay applicable to the centre to which he is transferred on a stage to stage adjustment basis. He will however be entitled to receive the difference between the amount which he was previously receiving by way of basic pay and the amount receivable by him by way of basic pay on such transfer as special pay termed "special personal pay" until the amount thereof has been fully absorbed by future increments in the scale of pay. The right of the bank to stop annual increments however will not be affected by this provision

CHAPTER IV

Item No. 2 in Schedule I

Item No. 3 in Schedule II

DEARNESS ALLOWANCE

4.1. The existing scheme of dearness allowance applicable to the employees of the Reserve Bank is as under:—

Staff—Class II

Pay (including Local Pay)	Dearness Allowance
Above Rs. 200 but not more than Rs. 250	Rs. 55 per month.
Above Rs. 250 but not more than Rs. 300	Rs. 65 "
Above Rs. 300 but not more than Rs. 400	Rs. 75 "
Above Rs. 400 but not more than Rs. 500	Rs. 85 "
Above Rs. 500 but not more than Rs. 600	Rs. 90 "
Above Rs. 600 but not more than Rs. 700	Rs. 95 "
Above Rs. 700	Rs. 100 "

Employees drawing basic pay upto Rs. 500 are eligible for Dearness Allowance as above plus Rs. 15 p.m.

Staff—Class III

For Pay (including Local Pay)	Dearness Allowance
Upto Rs. 150	Rs. 60 per month.
Above Rs. 150 but not more than Rs. 200	Rs. 65 „
Above Rs. 200 but not more than Rs. 250	Rs. 75 „
Above Rs. 250 but not more than Rs. 300	Rs. 85 „
Above Rs. 300 but not more than Rs. 400	Rs. 105 „
Above Rs. 400 but not more than Rs. 500	Rs. 105 „

Staff—Class IV

Dearness allowance at the flat rate of Rs. 47 per month.

4.2. The Association has pleaded that "it has now been well established and well recognised that this allowance should be linked up with the rise and fall in cost of living with a view to adequately neutralise the variation in the index." The Association has claimed full neutralisation for all employees taking into consideration the financial capacity of the Bank. The Association has demanded that the pay scales should be fixed at the all-India working class consumer price index 105 in the series 1949=100 and has claimed that the employees should be given an increase of one per cent of the basic pay for every rise of one point over 105 which was the all-India consumer price index for the year 1956 in the series 1949=100. It has further submitted that the existing index series were faulty and concealed a very large portion of the real rise in cost and that the claim made was fair.

4.3. The Union has also claimed that dearness allowance should be linked up with the rise and fall in the cost of living with a view to fully neutralise the effect of the variation. The Union has demanded pay scales on the basis of this index figure 105 and has claimed that any further rise above the figure 105 should be compensated by payment of dearness allowance at the rate of one per cent of the basic pay for every rise of one point over 105.

4.4. The Reserve Bank has in reply denied that it is an invariable rule that dearness allowance should be linked with the rise or fall in the cost of living index and has stated that in several industries as also in the case of Central and State Governments, Municipalities and Cantonment Boards, dearness allowance is not linked with any cost of living index. It has relied upon the observations made in the report of the Second Pay Commission at page 96, where the Commission has advised against an arrangement for automatic adjustment. The Second Pay Commission by its report recommended that the rates of dearness allowance suggested by it should be taken as related to the consumer price index of 115 and should continue unless the index fell below 100. It further recommended that if during a period of 12 months the index remained over 10 points above 115, Government should review the position and consider whether any increase in the dearness allowance should be allowed and if so, at what rate and if thereafter the index fell by the same margin and for the same period the position may be similarly reviewed and appropriate adjustment made. The Reserve Bank has pleaded that the Association's claim for full neutralisation was not based on principle. It has pleaded that while the consumer price index between 105 and 122 (the latter being the index for March 1960) showed a rise of 16.2 per cent. the extent of compensation demanded worked out to 17 per cent. that compensation to the extent of full neutralisation and at each stage of the rise in the index was objectionable on economic grounds, that all sections of the community were expected to share the burden of national endeavour in the interest of rapid economic growth without which no real improvement in the standard of living was possible, that a rise in prices might also occur as a result of national policy having an economic objective in view, e.g., the restraint on consumption through imposition of indirect tax burdens on articles of mass consumption, that there too if compensation was granted the greater monetary demand

would nullify the economic purpose of the rise as well as defeat the objective of the national policy and that industrial awards and adjudications had also expressed against conceding the principle of full neutralisation. It has submitted that the dearness allowance paid by the Reserve Bank at present was adequate and reasonable, that the Reserve Bank reviews the position of dearness allowance from time to time and if relief was called for by way of an increase in the dearness allowance such relief was provided. The Reserve Bank has also opposed the claim of the Union.

4.5. At the hearing Shri Palkhivala, the learned counsel for the Reserve Bank, pleaded that though the method of linking up of the dearness allowance with the cost of living index was the most scientific method, the same should not be introduced in the Reserve Bank of India. In support thereof he stated that in the public sector dearness allowance was never linked with the cost of living index, that except the State Bank all the Corporations in the public sector had fixed dearness allowance, that since the Reserve Bank's profits go to the public exchequer, it must be able to know with a fair amount of certainty what expenditure it would have to meet during the year so that Government can fix its budget accordingly, that the case of the State Bank should not be compared with that of the Reserve Bank as the State Bank was originally in the private sector and as the State Bank was doing purely commercial banking business, that the Reserve Bank was periodically looking at the total emoluments in A Class banks and if they were found to exceed those in the Reserve Bank, dearness allowance was revised and that the Reserve Bank would continue to follow the same system, that the political conditions are unstable and that in times of difficulty there should not be an extra burden on the Government by way of an automatic increase in the dearness allowance, that there was great security of service in the Reserve Bank and the same made up for the disadvantage of a fixed dearness allowance and that the frontiers of industrial peace go beyond the walls of the Reserve Bank and there should be no discontent among other employees of Government and any other public sector concern.

4.6. In dealing with the arguments advanced as aforesaid, Shri Nargolkar, the learned Advocate for the Association, has pointed out that the variable dearness allowance in the State Bank had not caused any disturbance to the Government plans or to the nation, that the argument that in times of stress and strain Government should not be burdened with higher dearness allowance should not weigh with the Tribunal as there were enough powers vested in the Government under the Constitution to deal with such situation in times of emergency, that after dearness allowance was the factor which led to discontent among the Reserve Bank employees, that the Reserve Bank wanted the question as to what dearness allowance should be given and when the same should be given to be left to itself and that there was no justification for treating the Reserve Bank on a footing which was different from that applicable to other banks.

4.7. Shri Sule, the learned Advocate for the Union, contended that the present dearness allowance was thoroughly unscientific, that so far as Class IV staff was concerned, there was a flat fixed dearness allowance, the sum of Rs. 47 being paid by way of dearness allowance to a peon or a mazdoor getting Rs. 50 by way of basic pay and to a driver grade I drawing Rs. 140 by way of basic pay and Rs. 10 by way of local pay, that the dearness allowance payable to Class IV staff not merely was not linked up with the cost of living index, but was not even linked up with any pay slab and that the same should no longer be allowed to continue.

4.8. In my award in Reference No. 1 of 1960 I have dealt with the matter at some length and have stated in connection with banks governed by the said award that as regards members of the subordinate staff, in order that their standard of living may not deteriorate and in order that any hardship caused on account of the rise in the cost of living may be avoided, it is necessary that they should be insulated against shocks of rise in prices of essential commodities, that banks by and large can better stand the burden of the increase in wages consequent on the rise in the cost of living than the employees in the lowest grade can bear the loss consequent on the reduction in their purchasing power and that taking all circumstances into consideration including the circumstance that in the past full neutralisation had not been given, I considered it fair that as regards the members of the subordinate staff there should be 100 per cent neutralisation linked with the all-India working class consumer price index base 1949=100. I have also stated that in the case of workmen other than those belonging to the subordinate staff, there should be 75 per cent neutralisation linked with the all-India average working class consumer price index base 1949=100. I have provided in the said award that in the case of the subordinate staff, the dearness allowance should be

calculated and paid at the rate of four per cent. of the pay (i.e. basic pay provided under the said award, special allowance, if any, and officiating allowance, if any, payable under the said award) for every rise of four points above 100 in the quarterly average of the all-India average working class consumer price index (general) base 1949=100, that in the case of workmen other than those belonging to the subordinate staff, dearness allowance should be calculated and paid at the rate of 3 per cent. of the pay (i.e. basic pay provided under the award, special allowance, if any, and officiating allowance, if any, payable under the award) for every rise of four points above 100 in the quarterly average of the all-India average working class consumer price index (general), base 1949=100, and that for the aforesaid purpose 'quarter' would mean the period of three months ending on the last day of March, June, September or December.

4.9. The question of dearness allowance has very often given rise to industrial disputes. When there is a rise in the cost of living and the purchasing power of money and the amount of real wages has diminished, the workmen who are generally living on the margin of subsistence feel the pinch and their minds are considerably exercised and they agitate for an increase in the amount of remuneration payable to them. Thereafter representations are made which are sometimes acceded to and sometimes not. Even where demands are acceded to shortly after they are made, there is a time lag between the rise in the cost of living and the grant of the demands. The very fact that workmen may have to agitate for an increase in the remuneration is not a very happy situation conducive to industrial peace. It is very much desirable that workmen should feel and know that they have been insulted against the increase in the cost of living by the very terms and conditions under which they are serving to the extent considered necessary by the authority fixing the wages. If the dearness allowance is linked up with the all-India working class consumer price index number and certain safeguards are provided, which would not require very frequent changes being made in the amount of remuneration payable to workmen, a moot point of disputes and differences would disappear and would be conducive to industrial peace. There is no doubt that the Reserve Bank has in the past increased the quantum of dearness allowance when it felt that the circumstances warranted the change. It is, however, desirable that the principles on which an increase in the amount of dearness allowance should take place are well settled and there is considerable advantage in having an automatic system whereunder an increase in the quantum of dearness allowance would result on a certain rise taking place in the all-India working class consumer price index number. The fact that the Reserve Bank is in the public sector cannot constitute an insuperable obstacle to the introduction of such a system. The State Bank is in the public sector and no deleterious effect has been noticed because of such linking. The Reserve Bank cannot be regarded as a department of the Government for the purpose of payment of dearness allowance. It is not regarded as a department of the Government for the purpose of the scales of pay and other service conditions. The Reserve Bank is a corporation constituted under the law and the conditions of service applicable to Government employees are not applicable to persons employed by it. The budgetary considerations cannot come in the way of the introduction of such a system. The fluctuations in a year in the all India working class consumer price index are not ordinarily so wide as would result in such increase in the establishment charges that it would affect the budgetary provisions. It is only the profit made by the Bank which is liable to be transferred to Government. Moreover, no bank and no Government can predicate and say with certainty what the profit of the institution would be during the coming year. In my view, the advantages of an automatic linking up of the dearness allowance with the all India working class consumer price index outweigh the disadvantages which may attach to the system and the pattern of the dearness allowance in the Reserve Bank may well follow the pattern applicable to other banks including the State Bank and its Subsidiaries under my award in Reference No. 1 of 1960.

4.10. I have fixed the scales of pay with reference to the base year 1949. The reasons given by me in my award in Reference No. 1 of 1960 about the rates of neutralisation equally apply in connection with the fixation of rates of neutralisation under this award. I direct that in the case of employees governed by this award other than Class IV staff the dearness allowance should be calculated and paid at the rate of 3 per cent. of the pay, i.e. (i) basic pay provided under this award, (ii) special pay, if any, and (iii) officiating pay, if any, for every rise of 4 points above 100 in the quarterly average of the all India average working class consumer price index (general), base 1949=100 and in the case of Class IV staff dearness allowance should be calculated and paid at the rate of four per cent. of the pay, i.e. (i) basic pay provided under this award, (ii) special pay, if any,

and (iii) officiating pay, if any, for every rise of four points above 100 in the quarterly average of the all-India average working class consumer price index (general), base 1949=100. For this purpose quarter will mean the period of three months ending the last day of March, June, September or December. The final index figures as published in the Indian Labour Journal should be the index figures which should be taken for the purposes of calculation of dearness allowance. For the purpose of calculating the dearness allowance for any particular month, the quarterly average for the last quarter for which final index figures are available on the 15th day of that month should be taken. Thus, if the dearness allowance for the month of December has to be calculated, the quarterly average for the last quarter for which final index figures are available on the 15th of December should be taken. In the event of the final all-India average working class consumer price index numbers being officially published before they appear in the Indian Labour Journal, I direct that the figures so officially published should be the figures which should be taken for the purpose of calculation of the dearness allowance instead of such figures when they appear in the Indian Labour Journal. A table showing the dearness allowance payable to the Reserve Bank employees at the various points of the all-India working class consumer price index number, base 1949=100, is given for the convenience of the parties.

Table for calculation of Dearness Allowance for workmen other than those belonging to Class IV Staff.

Dearness Allowance @ 3 per cent for every change of 4 points in the quarterly average of the All India Average Consumer Price Index (General) (Base 1949=100)

Dearness Allowance admissible if the appropriate quarterly average of the index is—

Basic salary	Less than 104	104 or more but less than 108	108 or more but less than 112	112 or more but less than 116	116 or more but less than 120	120 or more but less than 124	124 or more but less than 128	128 or more but less than 132	132 or more but less than 136	136 or more but less than 140	140 or more but less than 144	144 or more but less than 148	148 or more but less than 152	152 or more but less than 156
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1 . .	Nil	0.03	0.06	0.09	0.12	0.15	0.18	0.21	0.24	0.27	0.30	0.33	0.36	0.39
2 . .	Nil	0.06	0.12	0.18	0.24	0.30	0.36	0.42	0.48	0.54	0.60	0.66	0.72	0.78
3 . .	Nil	0.09	0.18	0.27	0.36	0.45	0.54	0.63	0.72	0.81	0.90	0.99	1.08	1.17
4 . .	Nil	0.12	0.24	0.36	0.48	0.60	0.72	0.84	0.96	1.08	1.20	1.32	1.44	1.56
5 . .	Nil	0.15	0.30	0.45	0.60	0.75	0.90	1.05	1.20	1.35	1.50	1.65	1.80	1.95
6 . .	Nil	0.18	0.36	0.54	0.72	0.90	1.08	1.26	1.44	1.62	1.80	1.98	2.16	2.34
7 . .	Nil	0.21	0.42	0.63	0.84	1.05	1.26	1.47	1.68	1.89	2.10	2.31	2.52	2.73
8 . .	Nil	0.24	0.48	0.72	0.96	1.20	1.44	1.68	1.92	2.16	2.40	2.64	2.88	3.12
9 . .	Nil	0.27	0.54	0.81	1.08	1.35	1.62	1.89	2.16	2.43	2.70	2.97	3.24	3.51
10 . .	Nil	0.30	0.60	0.90	1.20	1.50	1.80	2.10	2.40	2.70	3.00	3.30	3.60	3.90
20 . .	Nil	0.60	1.20	1.80	2.40	3.00	3.60	4.20	4.80	5.40	6.00	6.60	7.20	7.80

30	.	.	Nil	0.90	1.80	2.70	3.60	4.50	5.40	6.30	7.20	8.10	9.00	9.90	10.80	11.70
40	.	.	Nil	1.20	2.40	3.60	4.80	6.00	7.20	8.40	9.60	10.80	12.00	13.20	14.40	15.60
50	.	.	Nil	1.50	3.00	4.50	6.00	7.50	9.00	10.50	12.00	13.50	15.00	16.50	18.00	19.50
60	.	.	Nil	1.80	3.60	5.40	7.20	9.00	10.80	12.60	14.40	16.20	18.00	19.80	21.60	23.40
70	.	.	Nil	2.10	4.20	6.30	8.40	10.50	12.60	14.70	16.80	18.90	21.00	23.10	25.20	27.30
80	.	.	Nil	2.40	4.80	7.20	9.60	12.00	14.40	16.80	19.20	21.60	24.00	26.40	28.80	31.20
90	.	.	Nil	2.70	5.40	8.10	10.80	13.50	16.20	18.90	21.60	24.30	27.00	29.70	32.40	35.10
100	.	.	Nil	3.00	6.00	9.00	12.00	15.00	18.00	21.00	24.00	27.00	30.00	33.00	36.00	39.00
200	.	.	Nil	6.00	12.00	18.00	24.00	30.00	36.00	42.00	48.00	54.00	60.00	66.00	72.00	78.00
300	.	.	Nil	9.00	18.00	27.00	36.00	45.00	54.00	63.00	72.00	81.00	90.00	99.00	108.00	117.00
400	.	.	Nil	12.00	24.00	36.00	48.00	60.00	72.00	84.00	96.00	108.00	120.00	132.00	144.00	156.00

Table for calculation of Dearness Allowance for Class IV Staff.

Dearness Allowance @ 4 per cent for every change of 4 points in the quarterly average of the All India Average Consumers Price Index (General) (Base 1949=100)

Dearness allowance admissible if the appropriate quarterly average of the index is—

Basic Salary	Less than 104	104 or more but less than 108	108 or more but less than 112	112 or more but less than 116	116 or more but less than 120	120 or more but less than 124	124 or more but less than 128	128 or more but less than 132	132 or more but less than 136	136 or more but less than 140	140 or more but less than 144	144 or more but less than 148	148 or more but less than 152	152 or more but less than 156
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
1	Nil	0.04	0.08	0.12	0.16	0.20	0.24	0.28	0.32	0.36	0.40	0.44	0.48	0.52
2	Nil	0.08	0.16	0.24	0.32	0.40	0.48	0.56	0.64	0.72	0.80	0.88	0.96	1.04
3	Nil	0.12	0.24	0.36	0.48	0.60	0.72	0.84	0.96	1.08	1.20	1.32	1.44	1.56
4	Nil	0.16	0.32	0.48	0.64	0.80	0.96	1.12	1.28	1.44	1.60	1.76	1.92	2.08
5	Nil	0.20	0.40	0.60	0.80	1.00	1.20	1.40	1.60	1.80	2.00	2.20	2.40	2.60
6	Nil	0.24	0.48	0.72	0.96	1.20	1.44	1.68	1.92	2.16	2.40	2.64	2.88	3.12
7	Nil	0.28	0.56	0.84	1.12	1.40	1.68	1.96	2.24	2.52	2.80	3.08	3.36	3.64
8	Nil	0.32	0.64	0.96	1.28	1.60	1.92	2.24	2.56	2.88	3.20	3.52	3.84	4.16
9	Nil	0.36	0.72	1.08	1.44	1.80	2.16	2.52	2.88	3.24	3.60	3.96	4.32	4.68
10	Nil	0.40	0.80	1.20	1.60	2.00	2.40	2.80	3.20	3.60	4.00	4.40	4.80	5.20
20	Nil	0.80	1.60	2.40	3.20	4.00	4.80	5.60	6.40	7.20	8.00	8.80	9.60	10.40
30	Nil	1.20	2.40	3.60	4.80	6.00	7.20	8.40	9.60	10.80	12.00	13.20	14.40	15.60

40	Nil	1.60	3.20	4.80	6.40	8.00	9.60	11.20	12.80	14.40	16.00	17.60	19.20	20.80
50	Nil	2.00	4.00	6.00	8.00	10.00	12.00	14.00	16.00	18.00	20.00	22.00	24.00	26.00
60	Nil	2.40	4.80	7.20	9.60	12.00	14.40	16.80	19.20	21.60	24.00	26.40	28.80	31.20
70	Nil	2.80	5.60	8.40	11.20	14.00	16.80	19.60	22.40	25.20	28.00	30.80	33.60	36.40
80	Nil	3.20	6.40	9.60	12.80	16.00	19.20	22.40	25.60	28.80	32.00	35.20	38.40	41.60
90	Nil	3.60	7.20	10.80	14.40	18.00	21.60	25.20	28.80	32.40	36.00	39.60	43.20	46.80
100	Nil	4.00	8.00	12.00	16.00	20.00	24.00	28.00	32.00	36.00	40.00	44.00	48.00	52.00
110	Nil	4.40	8.80	13.20	17.60	22.00	26.40	30.80	35.20	39.60	44.00	48.40	52.80	57.20
120	Nil	4.80	9.60	14.40	19.20	24.00	28.80	33.60	38.40	43.20	48.00	52.80	57.60	62.40
130	Nil	5.20	10.40	15.60	20.80	26.00	31.20	36.40	41.60	46.80	52.00	57.20	62.40	67.60
140	Nil	5.60	11.20	16.80	22.40	28.00	33.60	39.20	44.80	50.40	56.00	61.60	67.20	72.80
150	Nil	6.00	12.00	18.00	24.00	30.00	36.00	42.00	48.00	54.00	60.00	66.00	72.00	78.00

CHAPTER V

Item No. 3 in Schedule I

LOCAL, HOUSE RENT AND OTHER ALLOWANCES INCLUDING FAMILY ALLOWANCE AND TRAVELLING AND HALTING ALLOWANCES

Item No. 4 in Schedule II

HOUSE RENT AND OTHER ALLOWANCES INCLUDING FAMILY ALLOWANCE AND TRAVELLING AND HALTING ALLOWANCES

(i) Local Allowance

5.1. Under this head the Association has raised a dispute in connection with "local pay". I have already dealt with the question of local pay in the earlier part of this award.

(ii) House Rent Allowance

5.2. As regards Class II staff other than Staff Assistants, the Reserve Bank is at present paying by way of house rent allowance 10 per cent. of the pay (including local pay) with a minimum of Rs. 12 per month. There is however a limit to the maximum amount that can be drawn which varies according to the amount of pay as under:—

Pay Range	At Bombay and Calcutta	At New Delhi, Madras, Bangalore, Kanpur, Ahmedabad, and Hyderabad	At other centres
	Per month	Per month	Per month
Upto Rs. 400	Rs. 20	Rs. 16	Rs. 10
For pay above Rs. 400 but not more than Rs. 500	Rs. 25	Rs. 20	Rs. 15
For pay above Rs. 500 but not more than Rs. 600	Rs. 30	Rs. 25	Rs. 20
For pay above Rs. 600	Rs. 35	Rs. 30	Rs. 20

As regards Class III staff at Bombay and Calcutta, the Reserve Bank is at present paying house rent allowance at the rate of 10 per cent. of pay (including local pay) with a minimum of Rs. 12 per month. The maximum amount that can be drawn varies according to the amount of pay as under:—

Pay Range	At Bombay and Calcutta	At New Delhi, Madras, Bangalore, Kanpur, Ahmedabad and Hyderabad	At other centres
	Per month	Per month	Per month
Upto Rs. 400	Rs. 20	Rs. 16	Rs. 10
For pay of Rs. 401 to Rs. 500	Rs. 25	Rs. 20	Rs. 15

As regards Class IV staff, the Reserve Bank is paying at Bombay and Calcutta house rent allowance at the rate of Rs. 8 per month, at New Delhi, Madras, Bangalore, Kanpur, Ahmedabad and Hyderabad at the rate of Rs. 6 per month and at other centres at the rate of Rs. 4 per month.

5.3. The Association has demanded that house rent allowance should be given to all Class II and Class III staff at the rate of $7\frac{1}{2}$ per cent. of the basic pay at places with a population up to five lacs and at the rate of 15 per cent. of the basic pay at places with a population above five lacs. The Association has stated that the Bank was recovering rent from the employees residing in staff quarters at the rate of 15 per cent. of pay or an amount which varied from centre to centre, whichever was higher, and has contended that the existing quantum of house rent allowance was completely out of tune with the conditions in respect of housing and was unjustifiably low.

5.4. The Union has pleaded that house rent allowance given to Class IV staff at flat rates was based neither on any principle nor on existing realities, that there is acute shortage of houses at all places where the Reserve Bank has its offices, that at Bombay the monthly rent for quarters provided by the Bank of A type varied between Rs. 15 and Rs. 18 and of B type, varied between Rs. 12 and Rs. 15, that at New Delhi, the monthly rent was 15 per cent. of pay with a maximum of Rs. 15 except as regards some employees, that at Kanpur the monthly rent was Rs. 6 plus Re. 1 as electric charges for new quarters having asbestos roofing and Rs. 4 plus extra charges for electricity amounting to about Rs. 2.50 for old unhygienic quarters, that at Calcutta the charges were Rs. 8 for some quarters and Rs. 6 for others, that if any of the occupants of the quarters was an earning member of the family of the tenant employee, then an additional rent was charged which, at some places, was at the rate of 15 per cent. of the pay of such earning member and at certain other places it was at the rate of 10 per cent. of the pay and at some other places, at a flat rate and that the Bank had constructed new quarters and had fixed the rent at exorbitant rates. It has pleaded that all Class IV employees should be supplied with rent-free quarters of suitable and comfortable design and that till the Bank provided such suitable rent-free quarters, house rent allowance should be paid at the flat rate of Rs. 18 per month at Bombay, Calcutta, Madras, New Delhi, Ahmedabad, Kanpur, Nagpur Hyderabad, Bangalore and Lucknow and at the flat rate of Rs. 12 per month at other places.

5.5. The Reserve Bank in reply has stated that there was already an element of house rent allowance in the basic pay, that the Bank had been generous to grant a separate house rent allowance at all centres, although so far as commercial banks were concerned, house rent allowance was awarded only to employees working at places having a population of over seven lacs, that the Bank, for the purpose of determining the minimum rent of individual quarters, calculated the annual minimum outgoings in respect of staff colonies on the basis of a formula which, *inter alia*, provided for approximately one per cent. return on the cost of construction exclusive of the cost of land and that the Bank had in many instances even reduced this minimum rent in spite of the fact that such reduction adversely affected even the nominal return of one per cent. The Bank has stated that in actual practice, the Bank had found that it did not get even one-half of one per cent. return on the investment regularly every year, and in some cases the annual expenditure on staff colonies exceeded the income realised by way of rent. In answer to the demand of the Union, it has pleaded that the Bank cannot be compelled to provide housing accommodation and it has submitted that the demand for increased house rent allowance was not justified.

5.6. The element of house rent is taken into account in fixing the scales of pay. Generally speaking, house rent allowance is given in order to compensate the employees for the rent which they have to pay at places where rents are very high. Unlike other banks, the Reserve Bank is paying house rent allowance at all places where the Bank has its offices. A demand has been made that the Bank should provide rent-free quarters for all Class IV employees. I am unable to accede to this demand. The Bank cannot be called upon either to construct quarters or to hire quarters so that the same may be given to Class IV employees of the Bank. A complaint has been made about the rent charged by the Bank. The Bank has shown that the rent charged by it to workmen hardly yields to the Bank one per cent. return on the cost of construction of the buildings, no return being provided for the land, and that in some cases the return is less than 1 per cent. I cannot fix the rents which the Bank should charge to its employees in respect of quarters supplied by it. At the hearing it was urged that there should not be any increase in the amount of rent charged, having regard to the increase in the basic pay that may be given under my award. In this award I have fixed the basic pay with reference to the base year 1949. The basic pay has been considerably

augmented. If the same percentage of basic pay is kept for charging house rent after the award comes into force there will be a considerable amount of increase in the rent payable by the employees to the Reserve Bank for quarters supplied by the Reserve Bank. The percentage of increase in the total emoluments payable under this award by the Reserve Bank to its employees is very much less than the percentage of increase in the basic pay, and I trust that the Reserve Bank will bear this circumstance in mind in those cases where it charges rent with reference to the basic pay. Under my award in Reference No. 1 of 1960, I have provided that all wholetime workmen excluding members of the subordinate staff should be given house rent allowance as follows:—

	At Bombay, Calcutta and Delhi	At other places with a population over 7 lacs, other State Capitals and other places in Area I
	Rs.	Rs.
Where pay does not exceed Rs. 150 per month	12	9
Where pay exceeds Rs. 150 but does not exceed Rs. 300 per month	16	12
Where pay exceeds Rs. 300 per month	20	15

For the purpose of house rent allowance the expression "pay" meant basic pay and included special allowance and officiating allowance. As regards members of the subordinate staff, under my award in Reference No. 1 of 1960 I have provided for a house rent allowance of Rs. 9 at Bombay, Calcutta and Delhi and of Rs. 7 at other places with a population of over 7 lacs and at other State capitals and other places in Area I. I have provided for a further allowance of Rs. 4 by way of house rent allowance at Bombay, Calcutta and Delhi and of Rs. 3 by way of house rent allowance at other places falling within Area I for certain persons, belonging to the subordinate staff.

5.7. Under my award in Reference No. 1 of 1960, I have provided the same house rent allowance for Delhi as for Bombay and Calcutta. Having regard to the scarcity of accommodation at Delhi and in recognition of the fact that house rents at Delhi are high, the Government has, by an order, classified Delhi as an A Class city for the purpose of house rent and compensatory allowance for Central Government employees. It is but fair that New Delhi where the Bank has its office should be classed along with Bombay and Calcutta for the purpose of house rent allowance.

5.8. Having considered all the evidence and all aspects of the matter I direct that workmen who are governed by this award belonging to Class II and Class III staff be paid house rent allowance per month at the rate of ten per cent of pay plus special pay, if any. The maximum amount payable by way of house rent allowance will be as provided below:—

Pay Range	At Bombay, Calcutta and New Delhi	At Madras, Bangalore, Kanpur, Ahmedabad and Hyderabad	At other places.
	Rs. per month	Rs. per month	Rs. per month
(i) Upto Rs. 475	25	20	12
(ii) Above Rs. 475 but not more than Rs. 575	30	25	18
(iii) Above Rs. 575 but not more than Rs. 675	35	30	25
(iv) Above Rs. 675	40	35	25

5.9. As regards members of the subordinate staff, I direct that they be paid house rent allowance at Bombay, Calcutta and New Delhi at the rate of Rs. 10 per month and at Madras, Bangalore, Kanpur, Ahmedabad and Hyderabad, at the rate of Rs. 8 per month and at all other centres at the rate of Rs. 5 per month.

(iii) *Compensatory Allowance:*

5.10. The Association has demanded that "all the employees should be paid 33-1/3 per cent per month of their pay as Compensatory Allowance". The Association has pleaded that since the inception of the Reserve Bank the Bank had not been granting any bonus to its employees, that bonus was being paid to employees of other industrial and commercial concerns and that provision should be made for the employees of the Reserve Bank by way of compensatory allowance in lieu of bonus. It has stated that the quantum of allowance at the rate of 33-1/3 per cent of the pay per month amounted to 4 months' basic pay per year of service. The Union has also demanded that all the employees should be paid 33-1/3 per cent per month of their pay as compensatory allowance as the Reserve Bank was not granting any bonus to its employees.

5.11. The Reserve Bank has in reply pointed out that the emoluments paid by the Reserve Bank had an element of two months' bonus included therein and that the demand as made in effect amounted to a demand for bonus. It has pleaded that the concept of profit bonus applicable to commercial banks could not be applied to the Reserve Bank and that no case existed to justify the demand.

5.12. At the hearing it was submitted on behalf of the Reserve Bank that though there was a preference made to this Tribunal in connection with certain disputes regarding bonus between numerous banks and their workmen, being Reference No. 3 of 1960, there was no such reference covering the Reserve Bank and its workmen and that the workmen could not seek to get bonus indirectly by calling it compensatory allowance. It has further pleaded that the demand which did not depend on the making of profits was a demand for something more than bonus.

5.13. The demand for compensatory allowance is really a demand for higher wages. In my view, no case is made out for allowing such a claim. In fixing the scales of pay I have taken into account the fact that the Reserve Bank is not paying any bonus. The demand of the workmen in this connection is rejected.

(iv) *Discomfort Allowance:*

5.14. The Association has pleaded that one of the functions of the Reserve Bank is to manage the Bankers' Clearing House at places where the Reserve Bank of India has its offices, that in Bangalore the Clearing House is situated in the premises of the State Bank of Mysore, which is at a distance of about three miles from the premises of the Reserve Bank, that for the conduct of the work of the Clearing House the Bank deputed a superintendent, a clerk grade I and 2 clerks grade II who have to attend to the work daily at the Clearing House, that there are two clearings, the main clearing at 1 p.m. and a special clearing at 3 p.m., that the staff have to reach the Clearing House at 12.45 p.m. with the cheques received for clearance and the relevant books and registers, that one of the clerks has to return to the Bank with documents and has to go back to the place where the clearing is held to be in time for the special clearing at 3 p.m., that at present the Bank was paying Rs. 10 per month to the superintendent and to each of the clerks as discomfort allowance for attending to the Clearing House work and that the same was very meagre and required to be enhanced. It has demanded that either the Bank should provide proper conveyance to the employees attending to the Clearing House work or pay them enhanced discomfort allowance of Rs. 50 per mensem.

5.15. In reply, the Reserve Bank has submitted that the demand for discomfort allowance was not covered by the terms of the reference, without prejudice thereto, the Bank has stated that it pays an allowance of Rs. 10 per month to a superintendent and to two to three clerks deputed to attend the Clearing House which was about two miles away from the Bank, that the staff deputed to the Clearing House used bicycles or availed of public buses for making trips between the premises of the Bank and the premises where the Clearing House was situated, and that on a representation made by the staff

that during heavy rain, etc. they found it difficult to attend the Clearing House either on cycle or by bus, the Bank allowed and allows, in addition to the said allowance, reimbursement of extra cost of hiring taxis or auto-rickshaws whenever the circumstances necessitated the use of such conveyance. The Bank has pleaded that it was not correct to call this allowance a "discomfort allowance", that attending the Clearing House was a part of the Reserve Bank employee's duties, that banks which are members of the Clearing House make similar payments by way of allowance to their own staff who are deputed to the Clearing House and that no case has been made out for increasing the allowance to Rs. 50 per month.

5.16. In my view, no case has been made out for acceding to any of the demands made by the Association and the claim made in this connection is rejected.

(v) *Fuel Allowance:*

5.17. The Union has made a demand that fuel allowance should be paid to all employees in the months of October to March at the rate of Rs. 15 per month at places where the winter is especially severe. The Union has not even specified the places for which such allowance is claimed. No such demand has been made on behalf of Class II and Class III staff. The Reserve Bank has opposed this demand.

5.18. At the hearing it was stated that New Delhi, Ludhiana, Indore, Jaipur, Lucknow, Kanpur, Gauhati, Patna and Nagpur were some of the places where winter was especially severe. No fuel allowance is being paid under my award in Reference No. 1 of 1960 at any of the places where the Reserve Bank at present has its offices. In my view, no case has been made out for the grant of such an allowance and I am unable to accede to the demand.

(vi) *Conveyance Allowance:*

5.19. The Union has made a demand for payment of conveyance allowance to all Class IV employees for attending the office of the Bank from distant places at the rates following:—

Where the distance which they have to travel to reach the premises of the Bank is—

			Per month.
Above 2 miles and more but not more than	3 miles	.	Rs. 5
" 3	" 4	"	Rs. 7
" 4	" 5	"	Rs. 10
" 5	" 6	"	Rs. 12
" 6	" 7	"	Rs. 15
" 7	" 8	"	Rs. 17
" 8	" 9	"	Rs. 20
" 9	" 10	"	Rs. 22-50

The Reserve Bank has resisted the demand stating that the same was unreasonable and unjustified. It is stated that the Reserve Bank gave advances to the employees for the purchase of cycles when the same was applied for. At the hearing it was stated on behalf of the Reserve Bank that conveyance allowance could not constitute the subject matter of a separate claim as a matter of industrial law, that the cost of conveyance was taken care of by the basic pay, that conveyance allowance was not paid in commercial banks and that the demand was without any substance.

5.20. In my view, no case is made out for the grant of a conveyance allowance. In theory, the remuneration otherwise given is intended to cover any amount that

may have to be expended by the employee for going from the place of his residence to the place of work and the return journey. The demand of the Union in this connection is rejected.

(vii) *Family Allowance:*

5.21. The Reserve Bank is at present giving a family allowance to all Class II and Class III staff, after completion of five years of service (including temporary service) at the rate of Rs. 10/- per month per child upto a maximum of Rs. 30/-. The allowance in respect of any son or daughter ceases when such son or daughter reaches the age of 25 years and earlier if such son or daughter secures employment or, in the case of a daughter, when she gets married. There is a further provision that an employee's pay (excluding the element of local pay) plus family allowance should not exceed Rs. 550/- per month. The Reserve Bank is giving a family allowance to all Class IV staff, after completion of five years of service (including temporary service) at the rate of Rs. 7.50 nP. per month per child upto a maximum of Rs. 22.50 nP. The allowance in respect of any son or daughter ceases when such son or daughter reaches the age of 25 years and earlier if such son or daughter secures employment or, in the case of a daughter, when she gets married.

5.22. The Association has demanded that the rate of family allowance should be raised from Rs. 10/- to Rs. 15 per month per child with a maximum of Rs. 45/- per month and that the same should be payable to an employee after completion of one year's service. It has pleaded that the cost of maintenance of children and of their education has gone up. The Union has demanded that the family allowance should be paid at the rate of Rs. 20/- per child with a maximum of Rs. 60/- per month. It has pleaded that lower the pay, the greater was the need for a higher rate of allowance, and that Class IV employees should have a fair opportunity of bringing up and educating their children so that they may take their place as worthy citizens of the nation.

5.23. The Reserve Bank has in reply pleaded that such an allowance is not given in commercial banks, that in the event of the Tribunal taking the view that a need-based wage should be awarded (in spite of the submission of the Reserve Bank that no case existed for taking such a view), the Tribunal should abolish family allowance. It has pleaded that the grant of this allowance had created a lot of administrative difficulties and there had been cases of abuse. It has further stated that the present allowance, apart from being unique, was extremely fair and reasonable and that the demand for an increase in the allowance was not only unfair but unreasonable and unjustified.

5.24. Generally speaking, the needs of the family of a workman are taken into account at the time of fixation of scales of pay and incremental scales are provided by tribunals keeping in view among other things the growing needs of a workman's family and no separate family allowance is provided by tribunals. The Reserve Bank seems to be unique among banks in giving such an allowance. No case is made out for compelling the Bank to raise the amount of this allowance or for providing that this allowance should become payable on an employee completing one year's service. It has been stated by the Bank that at the time when this allowance was first granted the Bank looked upon the same as being given for the purpose of educating the children of the employees. After carefully considering the matter the claims that have been made are rejected. There is a limitation imposed at present that an employee's pay excluding the element of local pay plus family allowance should not exceed Rs. 550/- per month. In view of the changes made in the scales of pay under this award, I direct that this limit be raised so that family allowance may be paid until the basic pay together with the family allowance reaches the limit of Rs. 650/-.

5.25. At the hearing it was stated that there were certain persons in the employment of the Bank who were formerly employed in the Public Debt Office and Currency Section of the State Bank of Hyderabad, that they had been selected for absorption in the Reserve Bank in the year 1957 and that the services of those persons in the State Bank of Hyderabad were not being counted for the purpose of reckoning the period of five years on the expiry whereof family allowance was payable. The aforesaid persons were taken over by the Reserve Bank as from 1st of July 1957 on certain terms and conditions. The emoluments paid to them by the Reserve Bank on such absorption were substantially higher than the emoluments they were receiving earlier. It was one of the conditions of taking them in employment that the employees should serve under the same rules and regulations

as were applicable to other employees. Under the rules and regulations the aforesaid persons are entitled to family allowance only on completion of five years' service in the Reserve Bank. Five years from the date of the commencement of their service in the Reserve Bank having now expired these employees are now eligible for family allowance. In my view, no case has been made out for requiring the Bank to grant to them family allowance prior to the completion of five years' service in the Reserve Bank and the claim made in the connection is rejected.

(viii) *Travelling and Halting Allowances:*

5.26. In connection with travelling allowance the Association has pleaded as under:—

"Travelling allowance granted by the Bank to employees going out of station on duty has been so far done on two different bases—one for the Cash Department staff and the other for General Side staff. While the General Side staff in Class II and Class III are allowed to travel by first class, the staff of Cash Department are allowed to travel only by second class and they are paid $3/5$ ths of the second class fare in addition. * * * The demand of the Association is that $1\frac{1}{2}$ times first class fare should be paid to all employees in class II and class III, while travelling on duty."

As regards halting allowance the Association has pleaded that an unwarranted difference is maintained by the Bank at present in the matter of payment of halting allowance between the staff of the Cash Department and the General Side staff. It is stated that the members of the staff of the Cash Department are paid halting allowance at rates which are substantially lower than the rates at which halting allowance is paid to the members of the General Side staff when they go on inspection or other duties to the same places. The Association has demanded a uniform rate of halting allowance for Class II staff and Class III staff whether they are employed on the General Side or on the Cash Side. It has demanded that for the purpose of halting allowance towns should be classified as falling within Class I Areas and Class II Areas, that all capitals of States, hill stations and places which have a population of 3 lakhs and above should be regarded as falling within Class I Areas and that all other places should be regarded as falling within Class II Areas and that halting allowance should be paid at the following rates:

Places in	Class III Staff	Class II Staff
Class II Areas	Rs. 7 per diem.	Rs. 8 per diem.
Class I Areas	Rs. 8 per diem.	Rs. 10 per diem.

5.27. The Union has demanded that Class IV staff should be paid second class fare while travelling on duty. It has further demanded that union representatives belonging to Class IV staff attending Conciliation Conferences should be given first class fare. The Union has stated that whenever the Bank deputs a Class IV employee other than an employee belonging to the inspection staff of the Bank on office work upcountry its pays III class fare and gives Rs. 2.50 per day as halting allowance for the places other than Bombay and Rs. 3.50 per day as halting allowance for Bombay and that "Class IV employees with inspection staff of the Bank are paid Halting Allowance at a rate of Rs. 3.50 per day for all the places in the country wherever they go on office work." The Union has submitted that Class IV employees including the Union's representatives from among Class IV employees attending the Conciliation Conferences should be allowed Rs. 6 as halting expenses for places other than Bombay and for Bombay they should be allowed Rs. 8 as halting allowance.

5.28. The Reserve Bank in reply has stated that as regards the distinction between cash department staff and general side staff, at a conciliation conference held in September 1959, the Bank had offered to amend the existing rules relating to travelling allowance so as to provide that in future all employees in Class III should be reimbursed the travelling allowance on a common basis. The common basis suggested was that employees drawing a basic pay of Rs. 170 and above would be allowed to travel by first class and paid mazdoor hire and conveyance charges as admissible to the general side staff, that employees drawing a basic pay of less than Rs. 170 would be entitled to travel by second class, the additional three-fifth second

class fare and mileage allowance admissible to the cash department staff under the existing rules being withdrawn. The Reserve Bank has stated that it was agreeable to introduce the above only if the Association agreed to the Bank's proposal regarding halting allowance whereunder areas in the country were to be classified into two categories, namely (a) Capitals of States, hill stations and other places having a population of three lakhs or more, and (b) other places. The Bank has stated that the Association agreed to the change of rules in respect of travelling allowance and also to categorisation of places into (a) and (b) areas, but no agreement could be reached regarding the quantum of halting allowance to be paid for the said two areas. The Bank has thereafter stated as under:—

"The Bank still stands by its offer with regard to change in rules in respect of travelling allowance provided the following proposals in respect of halting allowance for Class III employees (including cash department staff) are accepted:—

Basic pay limit	Category I	Category II
Below Rs. 200	Rs. 6/-	Rs. 5/-
Between Rs. 200/- and Rs. 300/-	Rs. 7/-	Rs. 6/-
Above Rs. 300/-	Rs. 8/-	Rs. 6/-
Class II staff	Rs. 8/-	Rs. 6/- "

The Reserve Bank has further pleaded that the demand for 1½ times first class fare to all employees in Class II and Class III when travelling on duty was unfair inasmuch as halting allowance was paid to members of the general side staff from the time they left their headquarters and over and above the same cartage and transportation charges were reimbursed upto a reasonable extent. It has further pleaded that the Bank's rules were more liberal than those admissible to Government staff.

5.29. As regards the claim made by the Union the Reserve Bank has in reply pointed out that it was not correct that Class IV employees touring with inspection staff were paid halting allowance at Rs. 3.50 per day for all the places in the country, that halting allowance was paid at the said rate only in respect of Bombay, Calcutta and New Delhi and that for other places the quantum paid was Rs. 2.50 per day. The Reserve Bank has submitted that the halting allowance paid was much higher than that paid by the Government of India and no case had been made out for increasing the halting allowance or upgrading the class of travel as demanded by the Union. It has further pleaded that "the demand for halting and travelling allowance in respect of Union activities" did not amount to an industrial dispute.

5.30 The present position in the Reserve Bank as regards travelling allowance for Class II, Class III and Class IV staff as given by the Bank is as under:—

	Class II (Supervisory staff)	Class III (Clerical staff)	Class IV (Subordinate staff)	Coin/Note Examiners (Cash Dep tt.)
1	2	3	4	5
(i) Fares by rail/steamer	One First Class fare for self.	One first class fare for self.	One Third Class fare for self.	One Second Class fare for self plus addi- tional 3/5th Second Class fare each way.**
	One second class by steamer.			
	(Charges for reservation of berths are paid by the Bank).			

1	2	3	4	5
<p>**Where there is no rail connection but there is a regular bus service between the remitting and receiving offices and journey is performed by bus, one 3/5th bus fare is paid each way.</p> <p>Where there is neither rail nor a regular bus service between remitting and receiving offices and no conveyance is provided by any of them, mileage allowance @ 16 rP. per mile or at an enhanced rate, if permitted by Central Office, is paid each way.</p>				
(ii) For Servant, if taken	One third Class fare by rail/steamer.	Same as for Class II staff.
(iii) Freight	Actual cost, if any, of freight on personal belongings.	Same as Class II Staff.	Same as Class II Staff.	..
(iv) Mazdoor hire charges	Actual charges upto a reasonable extent.	Same as Class II Staff.	Same as Class II Staff.	..
(v) Conveyance (a) Between residence and railway station when proceeding on/returning from tour.	@50 nP. per mile or part thereof upto a maximum of Rs. 5.00 plus actual luggage charges, if any, paid.	Same as Class II Staff.	@25 nP. per mile or part thereof upto a maximum of Rs. 2.50 or Ekka/Tonga charges actually incurred or suburban train fare where available upto a reasonable extent subject to a maximum of Rs. 2.50.	From despatching office to local Railway Station and from Railway Station at receiving end to receiving office—Road mileage @ 16 nP. per mile or at an enhanced rate if permitted by Central Office.
(b) From residence to place of work and back while on tour outside headquarters.	Actual mileage @ 12 nP. per mile or part thereof subject to a maximum of Rs. 1.92 per diem.	Same as for Class II Staff	Actual mileage @ 7 nP. per mile or part thereof subject to maximum of Rs. 1.12 per diem.	NOTE.—This mileage is not paid where conveyance is provided by despatching or receiving office.

- (i) Employees representatives of the Union are paid Travelling Allowance under Bank's rules according to the Class to which they belong, i.e., as admissible for Class III/Class IV employees as the case may be.
- (ii) Outside representatives of the Union are paid Travelling Allowance according to their respective status, e.g., the present General Secretary of the Union, who is an Advocate is paid Travelling Allowance as admissible to Officers in the Reserve Bank of India.
- (iii) Outside representatives if they happen to be employees of other Banks are notionally treated as employees of the Reserve Bank and are paid Travelling Allowance accordingly.

5.31. The present position in the Reserve Bank as regards halting allowance for Class II, Class III and Class IV staff as given by the Bank is as under:—

Classes II and III Employees.	Coin/Note Examiners on remittance duty.
1	2
(i) Class II employees and employees in Class III drawing pay of Rs. 300-00 p.m. or more—Rs. 8-00 p.d.	Rs. 3-00 p.d. provided that where the destination of remittance is situated in a specially expensive locality, payment of Halting Allowance at an enhanced rate not exceeding 100% of the ordinary rate may be sanctioned by the Chief Accountant on the recommendation of the officer-in-charge of the remitting office.
(ii) Other employees in Class III—Rs. 6-00 p.d.	Generally speaking the rates vary from Rs. 3 to Rs. 6 according to the population, cost of living and the importance of the place.
(iii) Employees mentioned in (i) and (ii) above visiting Bombay, Calcutta and New Delhi are generally paid Halting Allowance at the enhanced rates of Rs. 10-00 and Rs. 8-00 p.d. respectively for the period of halt at those places.	

Class IV Employees.

- (i) Rs. 3-50 p.d. for the actual period of halt at Bombay, Calcutta and New Delhi. (During the journey period Halting Allowance is paid at the basic rate of Rs. 2-50 p.d.).
- (ii) Rs. 2-50 p.d. for other centres.

- (a) Employee representatives of the Union are at present paid Halting Allowance under the Bank's rules as above, according to the class to which they belong, i.e., according as they are Class III/Class IV employees.
- (b) Outside representatives of the Union are paid Halting Allowance according to status, e.g., the present General Secretary of the All-India Union who is an Advocate, is paid Halting Allowance @ Rs. 15 p.d. as admissible to Junior Officers in the Bank.
- (c) Outside representatives if they happen to be employees of other banks are notionally treated as employees of the Reserve Bank and are paid Halting Allowance accordingly.

NOTES :—(1) The expression p.d. means per day. A 'day' for the purpose of Halting Allowance means each period of 24 hours or any part thereof reckoned from the time the employee leaves his headquarters, provided that the duration of absence from headquarters covers at least one night.

(In the case of Cash Department, for all remittances leaving the headquarters station after the prescribed office hours, the accompanying

potdar is paid Halting Allowance from the time fixed for the close of office including the cushioning period).

- (2) Halting Allowance is ordinarily admissible for a period of one month. Halting Allowance for periods in excess of one month requires special sanction of the Governor. The limit of one month does not apply in the case of staff on inspection, cash verification and remittance duties.
- (3) Under the Bank's rules, Governor has discretion to authorise payment of Halting Allowance at enhanced rates when circumstances are such that but for the exercise of this discretion the employee will be out of pocket. The enhanced rates of Halting Allowance mentioned above for Bombay, Calcutta and New Delhi have been sanctioned by Governor in terms of this authority.

5.32. In my view, the amount paid by the Reserve Bank by way of travelling allowance and halting allowance compares favourably with the amounts of travelling allowance and halting allowance directed to be paid by me under my award in Reference No. 1 of 1960 and they call for no change except as regards the halting allowance and travelling allowance paid to employees in Class III employed in the cash department. I direct that Class III employees in the cash department should be treated for the purpose of travelling allowance and halting allowance in the same manner as Class III staff on the general side of the Bank to the extent that provision has been made for Class III employees on the general side. For any type of travel for which no provision has been made for Class III employees on the general side, the existing provisions applicable to Class III staff on the cash department side will continue to apply to them.

CHAPTER VI

Item No. 6 in Schedule I

Item No. 5 in Schedule II

LEAVE FARE CONCESSION

6.1. The Reserve Bank is at present allowing leave fare concession once in three years for the employee and his family when the employee is on leave, other than casual leave and extraordinary leave, for a minimum period of one month. The concession is available for going to the place of domicile or up to 750 miles (1,208 kilometres) and back to all employees. No restriction is imposed regarding break of journey *en route* whether on outward or return journey, but the fare is paid on the basis of the fare applicable to direct journey by the shortest route to the destination. In order that the allowance may be admissible to the members of the family, the employee and his family have to visit the same place. Conveyance charges from the nearest rail link to the place of destination are paid by the Bank on the basis of fares by bus or other form of ordinary public conveyance up to a reasonable extent. In order to get the benefit of the concession the members of the family of the employee travelling separately have to perform both the outward and inward journeys within a total period of four months. The Bank has stated that "if in the meantime the employee himself proceeds on leave the return journey of the family might be completed within one month after the expiry of the employee's leave". Only employees who have put in one year's service (confirmed or probationary) are eligible for the concession. The employees in Class II are entitled to travel by first class, those in Class III by second class and those in Class IV, by third class.

6.2. The Association has made the following demands:—

- "(i) The employees should be allowed to avail of this facility once in two years instead of once in three years.
- (ii) The minimum period of ordinary leave fixed for availing of this facility should be reduced from one month to 15 days.
- (iii) The concession should be available up to the place of domicile, as at present, and in other cases the maximum distance should be increased from 750 miles to 1,000 miles.

- (iv) In case of travel to a place other than the place of domicile, insistence on condition of travel by the 'shortest route' should be removed and employees allowed to break the journey on the outward trip also, if so desired.
- (v) Families of employees should be allowed to visit places different from those visited by employees when this concession is availed of separately during the same term.
- (vi) Reimbursement for journey performed by modes of conveyance other than railways should be made on the basis of the class of travel by rail to which the employee is entitled and the fare calculated on the actual mileage covered or actual expenses incurred whichever is less.
- (vii) Employees and their families should be allowed to avail of this facility without any restriction as to the period for completion of the return journey.
- (viii) Employees who have rendered service for one year in the Bank, whether temporary or confirmed, should be entitled to this benefit.
- (ix) First class travel should be allowed to employees in both the categories of staff—Class II and Class III."

6.3. The Union has made the following demands:—

- "(a) The employees should be allowed to avail of this facility once in two years instead of once in three years.
- (b) The minimum period of ordinary leave for availing of this facility should be reduced to 15 days.
- (c) Travel by II class should be allowed.
- (d) Insistence on conditions of travel by the direct route may be removed and the employees must be allowed to break journey if they so desire, the maximum distance travelled either way being 1,500 miles.
- (a) Families of employees should be allowed to visit places different from those visited by the employees when this concession is availed of separately during the same term.
- (f) The reimbursement for journey performed by conveyance other than train should be calculated on the actual mileage covered at the rate to which the employee is entitled by train journey or the actual expenses incurred, whichever is less.
- (g) All employees who are in service for one year in the Bank should be entitled to this benefit, whether they are temporary or confirmed.
- (h) No restriction as to the period for completion of the return journey should be imposed."

6.4. The Reserve Bank has pleaded that except for an insignificant number of commercial houses which had granted leave fare concession by agreement, the demand for such concessions has invariably been rejected by Industrial Tribunals. It has pleaded that its present scheme was generous and fair and should be allowed to stand as it is. As regards the claim that Class III employees should be allowed first class fare on the ground that when on duty, first class fare is extended to them, the Reserve Bank has stated that it should be borne in mind that this concession extended to the employees' families also. It has pleaded that it was not reasonable to extend this concession to temporary employees or to modify the present concession in the manner demanded by the Association. It has also pleaded that as the name itself suggested this leave fare concession was purely a concession extended out of goodwill by the Reserve Bank. The Reserve Bank has submitted that the demands made by the Association and the Union should be rejected.

6.5. The leave fare concession granted by the Reserve Bank to all its employees is fair and reasonable and no case is made out for a change therein. All the demands for variation of the same are rejected.

CHAPTER VII

Item No. 7 in Schedule I

Item No. 6 in Schedule II

INTRODUCTION OF PENSION SCHEME, AND WHETHER ANY CHANGES AND ADJUSTMENTS ARE NECESSARY CONSEQUENTIAL TO THE INTRODUCTION OF THE PENSION SCHEME OR OTHERWISE IN THE EXISTING PROVIDENT FUND AND GRATUITY SCHEMES.

7.1. The Association has pleaded that at present there are only two retirement benefits that are available to the employees of the Reserve Bank, viz., a contributory provident fund scheme and a gratuity scheme and that the same are inadequate.

7.2. So far as the gratuity scheme is concerned, the Association has stated that "it has no dispute with the Bank except that there shall be no power to withhold payment of gratuity on account of dismissal".

7.3. In respect of the contributory provident fund scheme, the Association has pleaded that its demand is confined only to the issue of the unnecessarily high qualifying period prescribed for making the Bank's contribution available on the termination of the relationship of employer and employee and the power to withhold Bank's contribution in cases of dismissal. The Association has pleaded that "under the existing scheme the sum standing to the credit of the subscriber becomes payable on the termination of his service or on his death or after five years of confirmed service only thereby depriving the employee of the benefits of the temporary service put in by him". It has submitted that the period of five years was too high and should be reduced to two years and that no distinction should be made between temporary and confirmed services and has demanded that the restrictions complained of in respect of the payment of the Bank's contributions to the provident fund should be removed.

7.4. In addition to the two retirement benefits of gratuity and provident fund the Association has demanded the formulation of a pension scheme as follows:—

"(1) All permanent full time and part-time employees should be eligible for a pension.

(2) Normal pensionable age should be fixed at 60.

(3) Maximum pension of Rs. 750 per month.

(4) Quantum of pension per month at the following rates:—

(a) Full Pension : (For service of 25 years and over) $1/50 \times \text{number of years of service} \times \text{Total salary}$.

(b) Proportionate Pension on the above basis for service of 10 years and over but less than 25 years.

Exception.—If an employee has to retire on grounds of health before reaching the age of 60, he will be eligible for "proportionate pension" provided he has served for at least 10 years.

(5) Death while in service: Pension quantum be calculated as in (4) (a) above payable to the employee's legal representative as under:—

Length of service	Period for which payable.
(a) 10 years	2 years.
(b) Exceeding 10 years but not exceeding 15 years	3 years.
(c) Exceeding 15 years but not exceeding 20 years	4 years.
(d) Exceeding 20 years	5 years.

(6) Death within 5 years from the date of retirement.

Payment of pension which a deceased pensioner would have received, to be made to his legal representatives, such payments to continue until the expiry of 5 years from the date of retirement of the deceased pensioner."

The Association has pleaded that the provision for an additional retirement benefit in the form of pension was absolutely necessary. It has further pleaded that in respect of the continuance of the existing retirement benefits there had been no dispute between the parties and therefore the question of making any adverse changes therein did not arise.

7.5. By an amendment made in the month of October 1961 the Association has stated that there were 31 employees in the Reserve Bank of India who were drawn in service from the former Imperial Bank of India, who were entitled to three retirement benefits, viz., (1) provident fund, contribution to which has to be made both by the employer and the employee at the rate of 5 per cent. of pay, (2) gratuity at the same scale as the one prevailing in the Reserve Bank of India in connection with other employees, and (3) pension at the rate of 1/60th of the average monthly substantive salary drawn during the last 5 years' service, for every year of service. The Association has pleaded that in the event of the Tribunal not being inclined to grant three retirement benefits for any reason whatsoever, in no case the retirement benefits available to the Reserve Bank employees should in any manner be less than the retirement benefits that are available at present to the State Bank employees or which would be made available to them as a result of any improvement that may be brought about by my award in Reference No. 1 of 1960. It has further stated that for the Reserve Bank employees this would mean (i) compulsory provident fund for all employees as demanded by the Association; (ii) introduction of a pension scheme, and for such of the employees who do not qualify for any reason for a pension scheme, a scheme of gratuity which would broadly and in the main mean one month's pay for every completed year of service without any upper limit. In the alternative and without prejudice to the above contentions and in the event of the Tribunal finding itself unable, for technical reasons or otherwise, to give any directions in respect of the introduction of a pension scheme, it has submitted that the Tribunal "should improve the scheme of gratuity by removing the maximum limit of 15 months' pay and introducing other improvements demanded in the statement of claim."

7.6. The Union has pleaded as under:—"The first question that will arise is that if the pension scheme is to be introduced whether the existing benefits should be readjusted. The Union submits that these have been secured by the working people after prolonged struggle and the Union can never agree to give up the same". The Union has submitted that the existing two benefits, viz., provident fund and gratuity admissible to employees were inadequate and needed to be augmented. It has pleaded that a pension scheme should be introduced without in any way curtailing or reducing the existing provident fund and gratuity schemes. The Union has made a demand for three retirement benefits as under:—

Gratuity

- "(i) Gratuity should be payable to an employee on retirement, termination of services, retrenchment or mental or physical disability to continue further in service at the rate of one month's pay plus dearness allowance (on the basis of the salary last payable) for every year of service or a major fraction thereof, without any ceiling.
- (ii) In case of death of an employee, his heirs should be paid gratuity at the rate of 2 months' pay plus dearness allowance for each year of service or a major fraction thereof.
- (iii) Gratuity should also be paid on voluntary retirement or resignation after completion of 5 years' service.
- (iv) Any income-tax payable on such gratuity should be borne by the Bank.

Provident Fund

- (i) All permanent employees including part-time employees should be made members of the Provident Fund.
- (ii) The rate of contribution should be 10 per cent. of total emoluments, i.e., basic pay, local pay plus dearness allowance and special allowance, if any, with equal contribution by the Bank.
- (iii) Interest at the rate of 6 per cent. should be paid on the total contributions made by the employees and the Bank.
- (iv) Unclaimed fund should be distributed *pro-rata* every three years amongst the existing employees from time to time.
- (v) Full benefits of the fund should be permitted to the employees without regard to any length of service.

- (vi) *Board of Trustees:* On the Board of Provident Fund Trust, the employees and the Bank should have equal number of representatives. Re-election of the employees' representatives should be held after every three years unless necessitated earlier by death or resignation or recall by a majority of the employees.

Pension

- (i) Normal pensionable age should be 60 years.
- (ii) Pensionable service of an employee should be counted from the date of his appointment. The minimum service limit for the purpose should be 18 years. On calculating pension the pay last payable to an employee should be the basis.
- (iii) Amount of pension should be calculated on number of years of service, divided by 50 multiplied by pay last payable (inclusive of Special Pay).
- (iv) The benefit of pension must be guaranteed for a minimum period of five years, i.e., if a pensioner dies before drawing pension for less than five years, his heirs or successors will draw the same pension until completion of five years.

Exception.—If an employee retires on grounds of ill-health before reaching the age of 60, he should be eligible for proportionate pension provided he has served for at least 10 years.

Death while in service.—In case of an employee's death while in service, his legal heirs should be paid pension on the rates prescribed above for period indicated below:

Length of service	Period for which payable
(a) 10 years	2 years.
(b) Exceeding 10 years but below 15 years	3 years.
(c) Exceeding 15 years but below 20 years	4 years.
(d) Exceeding 20 years	5 years.

A pensioner should have a right to commute any part of his pension.

Dearness Allowance at the prescribed rates should also be paid on pension."

7.7. The Reserve Bank in reply has pleaded that the normal rule of the Industrial law is to provide for two retirement benefits and that the Reserve Bank is providing two retirement benefits in the form of contributory provident fund scheme and gratuity scheme. It has denied that the present retirement benefits are inadequate. In connection with gratuity, it has pleaded that there was a series of decisions of Industrial Tribunals and the Labour Appellate Tribunals invariably providing that no gratuity should be paid when a workman is dismissed for misconduct and that it would be contrary to principle if it were to be made payable to an employee dismissed from service for misconduct. It has pleaded that the Union's demands in connection with gratuity, viz., items (i), (ii) and (iii) were totally unjustified and unreasonable, and that as regards item (iv), the Bank was paying income-tax on the amount of gratuity. As regards provident fund, the Bank has drawn attention to the provisions of section 58 of the Reserve Bank of India Act, 1934, which, *inter alia*, provides as under:—

"58. Power of the Central Board to make regulations—

- (1) The Central Board may, with the previous sanction of the Central Government, make regulations consistent with this Act to provide for all matters for which provision is necessary or convenient for the purpose of giving effect to the provisions of this Act.
- (2) In particular and without prejudice to the generality of the foregoing provisions, such regulations may provide for all or any of the following matters, namely:—

* * * *

- (j) The Constitution and management of staff and superannuation funds for the officers and servants of the Bank, * * *

It has submitted that if any changes were made by the Tribunal in the provident fund scheme, it would amount to re-writing the Act and that the Tribunal had no jurisdiction to do so. Without prejudice to the aforesaid submission, it has pleaded that the present provident fund scheme was drawn up in conformity with the Provident Funds Act, 1925, which was applicable to the Reserve Bank, that the provident fund was a retirement benefit for long and faithful service and it would be contrary to principle to make the Reserve Bank's contributions available for less than five years confirmed service and that as regards the power to withhold Reserve Bank's contribution in the case of dismissal, that was in line with the Government scheme and also in line with the standard provident fund scheme elsewhere. It has pleaded that the provisions contained in the Reserve Bank's provident fund scheme were on the lines of section 6 of the Provident Funds Act, 1925 which was applicable to the Reserve Bank and that if any changes were made by the Tribunal in the provident fund scheme, it would amount to re-writing the above Act and that the Tribunal had no jurisdiction to do so. Section 6 of the Provident Funds Act, 1925, provides as under :—

"6. When the sum standing to the credit of any subscriber or depositor in any Government or Railway Provident Fund which is a contributory Provident Fund becomes payable, there may, if the authority (specified in this behalf in the rules of the Fund) so directs, be deducted therefrom and paid to Government or the Railway Administration, as the case may be—

- (a) any amount due under a liability incurred by the subscriber or depositor to Government or the Railway Administration, but not exceeding in any case the total amount of any contributions credited to the account of the subscriber or depositor and of any interest or increment which has accrued on such contributions; or
- (b) where the subscriber or depositor has been dismissed from his employment for any reasons specified in this behalf in the rules of the Fund, or where he has resigned such employment within five years of the commencement thereof, the whole or any part of the amount of any such contributions, interest and increment."

As regards temporary employees, it has stated that they are permitted to contribute to the provident fund and that on a temporary employee being confirmed the Reserve Bank contributes an amount equivalent to what it would have been required to contribute had the temporary employee been a confirmed employee on the date he commenced making his contributions. It is pleaded that it would be against principle to reduce the period of five years to two for eligibility for Bank's contribution and to change the present position in respect of temporary employees. It has submitted that the demand was without merit or justification and should be rejected.

7.8. In connection with the Union's demands relating to provident fund, it has stated that the same were fantastic, unreasonable and untenable. As regards representation on the Board of Administrators of the provident fund, there being no Board of Trustees, it has stated that there is already one representative of the Union on the Board and that the demand for alterations in the existing arrangement was unjustified and should be rejected.

7.9. In connection with pension, it has pleaded that the Tribunal had no jurisdiction to create a pension fund, without prejudice thereto, it has submitted that such a demand was not proper or reasonable and that the existing retirement benefits were fair, adequate and reasonable. As regards the demand of the Association that the normal pensionable age should be fixed at 60 years, it has pleaded that no reference has been made to this Tribunal on the question of the retirement age of Class II and Class III employees and that assuming without admitting that the Tribunal directed the introduction of a pension scheme, the present retirement age of 55 should not be altered. In connection with the demand made by the Union regarding the scheme for pension, it has pleaded that the same was totally unjustified. The Reserve Bank has submitted that the demands made should be rejected.

7.10. As regards the pleas taken by the Association by amending the original statement of claim, the Reserve Bank has pointed out that the employees who were drawn in service from the former Imperial Bank of India were entitled to provident fund with a contribution of 5 per cent. of basic pay on either side and

a contributory pension scheme also at the rate of 5 per cent. of the basic pay, that later on in view of the smallness of the number of such employees, the Reserve Bank extended to them the benefit of the gratuity scheme and that the position prevailing at present is "that such of those employees, who are workmen, are entitled to provident fund at 5 per cent. of basic pay, gratuity and a non-contributory pension which, in view of the retirement age of 55, is less than what is payable by the State Bank". The Reserve Bank has denied that there was any case for granting three retirement benefits. It has denied that any case existed or had been made out for granting the same quantum of retirement benefits as were available to the workmen of the State Bank of India. As regards the demand that the ceiling on gratuity be abolished, it has invited attention to paragraph 83 of the statement of claim wherein the Association had admitted that it had no dispute with the Reserve Bank in respect of gratuity except that there should be no power to withhold payment on account of dismissal.

7.11. At the hearing Shri Palkhivala, the learned counsel on behalf of the Reserve Bank, contended that having regard to the wording of item No. 7 in Schedule I the Tribunal had no jurisdiction to make any changes in the provident fund and gratuity schemes which were not consequential to or connected with the introduction of a pension scheme. Item No. 7 of Schedule I to the order of reference provides as under:—"Introduction of Pension Scheme, and whether any changes and adjustments are necessary consequential to the introduction of the Pension Scheme or otherwise in the existing Provident Fund and Gratuity Schemes". It was urged that by the use of the words "or otherwise" it was not intended to throw open all issues regarding all the three benefits. In my view, item No. 7 provides for adjudication of disputes in respect of the following matters:—

(i) introduction of pension scheme, (ii) whether any changes and adjustments are necessary consequential to the introduction of the pension scheme in the existing provident fund and gratuity schemes, and (iii) whether any changes and adjustments are necessary in the existing provident fund and gratuity schemes. I place the same interpretation on similar words used in item No. 6 in Schedule II. By the charter of demands submitted by the Association to the Reserve Bank of India in the month of July 1959 the Association had made a specific demand in connection with provident fund as under:—"28. PROVIDENT FUND: Employees must be entitled for full contribution from the Bank after five years of continuous service including temporary service". The terms of reference are wide enough to cover the demands made in connection with gratuity and provident fund and the same cannot be ruled out as being outside the scope of the terms of the reference.

(I) Gratuity:

7.12. Rule 5 of the Reserve Bank of India (Payment of Gratuity to Employees) Rules, 1947, provides as under:—

- "(1) No gratuity will be granted to or in the case of, an employee—
- (a) if he has not completed service in the Bank for a minimum period of 10 years, or
 - (b) if he is or has been dismissed from service in the Bank for any misconduct;
- (2) Notwithstanding anything contained in clause (a) of sub-rule (1), gratuity will be granted to, or in the case of, an employee who has not completed service in the Bank for a minimum period of 10 years, if
- (i) he dies while in service of the Bank; or
 - (ii) he has retired or has been required to retire, either on account of certified permanent incapacity due to bodily or mental infirmity or owing to the abolition of his appointment on account of reduction of establishment; or
 - (iii) his service in the Bank is terminated by the Bank for reasons other than reduction of establishment or dismissal for misconduct."

The Association has demanded that there should be no power to withhold payment of gratuity on account of dismissal. A similar demand was made before me in Reference No. 1 of 1960 and I have negatived the same. The Sastry Tribunal had directed that there should be no forfeiture of gratuity even for dismissal on account of misconduct except in cases where such misconduct had caused financial loss to the company and even in that case, had limited the provision relating to forfeiture only to the extent of such loss. The Labour Appellate Tribunal in appeal set aside the decision of the Sastry Tribunal on this point and directed that an employee who was dismissed for misconduct should not be entitled to gratuity.

In my view, no case is made out for the claim made regarding the payment of gratuity in case of dismissal and the same is rejected.

7.13. Even though the Association in the first instance had pleaded that it had no dispute with the Bank as regards its gratuity scheme except as regards the power of the Bank to withhold payment of gratuity on account of dismissal, the Association has subsequently claimed that the scheme of gratuity should be improved by removing the maximum limit of 15 months' pay. Rule 6 of the aforesaid rules relating to gratuity, *inter alia*, provides as under:—

"Without prejudice to the provisions of Rule 5, the amount of gratuity admissible to an employee shall be

(i) in the case of every employee—

- (a) a sum equal to one month's pay for each completed year of service in the Bank subject to a maximum of fifteen months' pay or Rs. 25,000 whichever is less; and
- (b) an additional sum equal to one month's pay in respect of each completed year of service in the Bank in excess of thirty years. * * *"

A similar demand made in Reference No. 1 of 1960 has been rejected by me. Having considered the whole matter, in my view, no case is made out for granting the same and it is rejected.

7.14 As regards demands (i), (ii) and (iii) in connection with gratuity made by the Union, demands of a similar nature were made by the All India Bank Employees Association in Reference No. 1 of 1960 and the same have been rejected by me in my award in Reference No. 1 of 1960. Having considered every aspect of the matter, in my view, no case has been made out for granting any of the aforesaid three demands and the same are rejected. I give no directions to the Bank in connection with demand (iv) of the Union relating to gratuity.

7.15. The Reserve Bank has opposed any change in its present scales of pay. I have revised the scales of pay and provided scales of pay with reference to the base year 1949, with the result that there has been a considerable increase in the amount of basic pay payable to workmen governed by my award. I may state by way of illustration that clerks grade II and coin/note examiners grade II in non-local pay centres who were drawing a basic pay of Rs. 200 will now be drawing a basic pay of Rs. 237. The increase in the amount of basic pay will have its repercussions on the amount of gratuity. Having carefully considered all aspects of the matter including the increase in the amount of gratuity which the workmen will be getting and the burden that would be imposed on the Reserve Bank under my award, I direct that for the purpose of calculation of gratuity the basic pay in the case of Class II and Class III staff governed by this award shall be deemed to be 90 per cent of the basic pay payable under this award and in the case of Class IV staff it shall be deemed to be 75 per cent of the basic pay payable under this award. For the purpose of calculating gratuity, the special pay if any, and officiating pay, if any, for all classes of staff will be the same as that provided under this award.

(II) Provident Fund:

7.16 The Reserve Bank of India Employees' Provident Fund Regulations provide *inter alia* as under:—

- "5(i) Save as provided in part II of these Regulations, every permanent employee of the Bank in superior service and every permanent employee in subordinate service who is in receipt of a pay of Rs. 30 or more per mensem shall be bound to subscribe to the Fund. An employee in subordinate service who is in receipt of a pay of less than Rs. 30 per mensem may subscribe to the fund if he desires to do so.
- (ii) An employee appointed on probation to a post in which, if confirmed, he will become a permanent employee shall be deemed to be a permanent employee for the purpose of these regulations from the date of his first appointment.
- (iii) (a) A temporary employee other than an employee who is already contributing to some other provident fund may subscribe to the Fund, if so permitted by the Administrators.
- (b) Any other person in receipt of other than casual remuneration from the Bank may also subscribe to the Fund, if so permitted by the Administrators :

Provided that where any sum is standing to the credit of such person in the Fund and has become payable to him by reason of the provisions of Regulation 14, such sum may, in exceptional cases, if so permitted by the Administrators, continue to stand to his credit in the Fund for such time as he is in receipt of other than casual remuneration from the Bank, and interest shall, notwithstanding anything contained in Regulation 13, accrue on such sum."

"6. The rate of subscription shall, as from the date on which the subscriber commences to subscribe, be fixed by the subscriber himself at not more than 10 per cent nor less than 5 per cent of his pay; such subscriptions shall be deducted by the Bank from his monthly pay in amounts calculated to the nearest -/8/- As., (to the nearest Shilling in the case of London Office staff whose accounts shall be kept in Sterling). The rate of subscription within these limits when once fixed by the subscriber can be altered only after written intimation of his desire to do so has been given by him not less than one calendar month in advance to the officer responsible for paying him.

Explanation:—

In this regulation "pay" includes substantive pay, overseas pay, personal pay and acting allowance; but does not include Central Office allowance, local allowance, house allowance, transfer allowance, travelling allowance, halting allowance or any other allowance."

"8. Save as otherwise provided in these Regulations, the Bank shall contribute every month, a sum equal to that subscribed by each subscriber, to his account in the Fund, provided that no such contribution shall be made by the Bank in respect of subscribers who have been permitted to subscribe under sub-regulation (iii) of regulation 5:

Provided further that in the case of a temporary employee subscribing under sub-regulation (iii) of Regulation 5 who is subsequently taken into the permanent employment of the Bank, the Bank shall contribute, on the employee being made permanent, a sum equal to the amount subscribed by him during his temporary service."

"9. The Bank shall credit interest on the amount standing to each subscriber's credit at a rate which shall be fixed by the Bank at the end of each year and which shall be the equivalent of the average yield to redemption throughout the year of rupee securities of the Government of India of approximately 20 years maturity rounded off to the nearest one half per cent above; such interest shall be calculated to the nearest one anna on the monthly products of each subscriber's account and shall be applied to the accounts half-yearly as on the 31st March and 30th September."

"14. (1) The sums standing to the credit of a subscriber shall become payable on the termination of his service or on his death:

* * * *

Provided further that there may, if the Committee of the Central Board of the Bank so directs, be deducted therefrom and paid to the Bank—

- (a) any amount due under a liability incurred by the subscriber to the Bank up to the total amount contributed by the Bank to his account, including the interest credited in respect thereof; or
- (b) where the subscriber has been dismissed from his employment on account of misconduct or gross negligence or where the subscriber has resigned his employment under the Bank within five years of the commencement of his permanent service, the whole or any part of the amount of such contribution together with the interest credited in respect thereof. * * *".

The Reserve Bank has stated that for the purpose of provident fund subscription "pay" includes local pay.

Under the Reserve Bank of India Employees' Provident Fund (Additional Subscriptions) Regulations, 1950, it is provided by Regulations 3 and 4 as under:—

"3. Notwithstanding anything to the contrary in the Principal Regulations or in any contract, any employee of the Bank may make to the Fund a subscription of an amount equal to not more than 10 per cent or less than 5 per cent of his pay, in addition to any subscription permissible

under the Principal Regulations. The rate of subscription within these limits when once fixed by the subscriber can be altered only after written intimation of his desire to do so has been given by him not less than one calendar month in advance to the officer responsible for paying him."

- "4. The Additional subscriptions made under these Regulations shall, for all purposes, be deemed to be subscriptions to the Fund made under the Principal Regulations:

Provided that the contribution by the Bank to the account of a subscriber shall not be increased beyond what is admissible under the Principal Regulations:

Provided further that the Bank shall, in the case of all employees, pay interest on the additional subscriptions made under these Regulations and any accretions thereto only at the rate fixed from time to time under Regulation 9 (Part I) of the Principal Regulations."

The Association has claimed that the period of five years was too high and should be reduced to two years, and that no distinction should be made between temporary and confirmed services. In my view apart from the plea of jurisdiction, on the merits of the matter, no case is made out for making a change in the existing rules, as demanded by the Association.

7.17. The Union has made several demands in connection with, provident fund. In my view, apart from the plea of jurisdiction, on the merits of the matter, no case is made out for a change in the existing provisions contained in the Provident Fund Regulations.

7.18. In the Reserve Bank of India Employees' Provident Fund Regulations set out above, the rate of subscription as from the date on which the subscriber commences to subscribe to the fund, has to be fixed by the subscriber himself "at not more than 10 per cent nor less than 5 per cent of his pay", and the Bank is under an obligation to contribute a sum equal to that subscribed by the subscriber, except in certain circumstances in the case of certain persons. The Reserve Bank also permits subscribers to make an additional subscription to the fund of an amount equal to not more than 10 per cent or less than five per cent of his pay in addition to the subscription permissible under the Principal Regulations though the Bank is not liable to contribute any further amount by reason of such additional subscription. In view of the large increase in the amount of basic pay under this award, a question of some change in the existing regulations may arise. The Reserve Bank has contended that I have no jurisdiction to make any changes in the Provident Fund Regulations. There would be technical difficulties in my giving any directions to the Reserve Bank relating to any change in the Regulations framed by the Central Board of the Reserve Bank with the previous sanction of the Central Government under the powers conferred under section 58 of the Reserve Bank of India Act, 1934. I experienced a similar difficulty in connection with the State Bank of India in view of the provisions contained in section 50 of the State Bank of India Act, 1955 which laid down that the Central Board of the State Bank of India, after consultation with the Reserve Bank and with the previous sanction of the Central Government, may make regulations to provide for the establishment and maintenance of provident fund for the benefit of the employees of the State Bank of India, and I did not give any directions in connection with the State Bank of India similar to those given by me in connection with other banks as regards provident fund. I refrain from giving any directions whatsoever to the Reserve Bank relating to provident fund in this award.

(III) Pension:

7.19. There is no pension scheme provided by the Reserve Bank except for a few transferred Government and Imperial Bank of India employees who have retained their pensionary rights under their former conditions of service.

7.20. A demand for three retiring benefits had been made in Reference No. 1 of 1960, and I have rejected the same, for the reasons set out in my award in that reference. In my view, in the present circumstances, two retirement benefits provided by the Reserve Bank for those who are entitled to receive two retirement benefits are sufficient, and the claim made, both by the Association and the Union, for the provision of an additional retirement benefit by way of pension, is rejected. The employees of the Bank who at present are entitled to receive three retirement benefits will continue to be entitled to receive three retirement benefits.

7.21. On behalf of the Reserve Bank it is contended that I have "no jurisdiction to create a pension fund". It is not necessary for me, for the purpose of this award, to deal with the question whether I have such jurisdiction or not as I am not giving any directions in connection with the same.

CHAPTER VIII

Item No. 9 in Schedule I

Item No. 7 In Schedule II

MEDICAL AID AND EXPENSES

8.1. The Association has pleaded that medical facilities are not available to Class II, Class III and Class IV staff, to the same extent to which they are available to the officers of the Bank and that "one would expect that in the case of lower cadre the facilities would be of a better nature than those available to the higher-paid officers". It has pleaded that the position prevailing today in respect of this facility was not at all uniform at the various centres, that it varied also from one class of employees to another, that the hospitalisation facilities provided at the various centres were inadequate and that in cases where the employees, for reasons beyond their control could not have all the hospitalisation facilities and were forced to take private treatment from medical practitioners or hospitals or nursing homes, etc., the Bank generally did not reimburse the cost of the treatment. The Association has demanded medical facilities for Class II and Class III staff on par with those that are available to the officers. The Association has made the following demands:

- "A. (i) Medical Officers should be appointed on a full time basis—
 - (a) at all branches of the Bank where the number of employees exceeds 300;
 - (b) in consultation with the local Association; and
 - (c) on contract basis for a period not exceeding 3 years.
- (ii) At smaller branches the Medical Officer should attend the office for a minimum period of 4 hours per day.
- B. Medical Officers should be appointed at all staff colonies and they should be resident in the colony.
- C. Bank should maintain dispensaries at all its branches and staff quarters. Such dispensaries should be equipped and stocked with all drugs and medicines of everyday use and apparatus for ordinary medical attention. Bank should make available through these dispensaries drugs etc. at cost price.

Medical Attention:

- (a) Employee:
 - (i) He should be granted free medical facilities at the Bank's dispensary.
 - (ii) He should be reimbursed the full cost without any limit incurred by him for his own illness including visit fees, injection charges, cost of medicine etc., whenever he is treated by a private doctor.
 - (iii) Standing arrangements should be made with specialists in medicine, surgery and other allied branches whom members of the staff may consult on the advice of the Bank's Medical Officer or the family physicians. The cost of consultation should be borne by the Bank. Expenses incurred by the employees for obtaining pathological, X-Ray and other examinations should be reimbursed in full.
 - (iv) In addition to the hospitalisation facilities at present available at various branches of the Bank including those for T.B., Cancer, etc., an employee should be permitted to get treatment at any hospital of his choice and shall be reimbursed the full costs of treatment including stoppage, operation and other charges. Employees availing of treatment at nursing homes should be reimbursed stoppage charges at a rate not exceeding Rs. 20 per diem and in addition should be paid all operation and other charges. Maternity expenses should be reimbursed in full.

(b) Families:

- (i) Families of employees shall be permitted to get treatment for ordinary illness from any medical practitioner of their choice and shall be reimbursed with 50 per cent of the costs incurred subject to a maximum of Rs. 100 per annum. The unspent balance shall be allowed to be accumulated upto a maximum of Rs. 400 to be availed of on any subsequent occasion.
- (ii) Standing arrangements should be made with specialists in medicine, surgery and other allied branches whom family members of the employees may consult on the advice of the Bank's medical officer or the family physician. The cost of consultation should be borne by the Bank. Expenses incurred by the employee's family for obtaining pathological, X-Ray and other examinations should be reimbursed in full.
- (iii) In addition to the hospitalisation facilities at present available to families of employees, at various branches of the Bank, including those for T.B., cancer etc. they should be permitted to get treatment at any hospital of their choice and shall be reimbursed 75 per cent of the stoppage, operation and other charges. Families of employees availing of treatment in nursing home may be reimbursed stoppage and the charges to the extent of 75 per cent of the costs demanded in the case of employees.

The employees and their families may avail themselves of these medical facilities under any system of medicine of their choice.

For the purpose of the above mentioned medical scheme "family" shall be defined as in Explanation to Regulation 44(2) of the Reserve Bank of India Staff Regulations, 1948.

These medical facilities should be available to all full time and part time employees of the Bank".

Regulation 44(2) of the Reserve Bank of India (Staff) Regulations, 1948 provides as under:—

"No employee shall make or permit any member of his family to make any investment likely to embarrass or influence him in the discharge of his official duties."

The explanation thereto provides as under:—

"For the purpose of this sub-regulation the word 'family' includes any relative ordinarily residing with or dependent on an employee."

8.2. The demands of the Union proceed along similar lines. The Union has desired that medical officers should be appointed on a full time basis at all branches of the Bank where the number of employees exceeds 500 instead of 300 as demanded by the Association. There is no demand for appointing him in consultation with the local Union of Class IV staff. There is no demand for appointing him on a contract basis for a period not exceeding 3 years. The Union has claimed that employees should be reimbursed adequately the expenses incurred by treatment in nursing homes for themselves and their families.

8.3. The Reserve Bank in reply has stated that under the Sastry Award as modified, employees of other Banks were entitled to reimbursement of medical expenses in respect only of themselves and not their respective families and that too, to the extent only of Rs. 90 per head per annum, that in the Reserve Bank, no ceilings are prescribed and all members of the staff get free ordinary medical facilities at Bank's dispensaries which are well equipped and are in charge of qualified doctors, that all medicines issued from the dispensaries are supplied free of charge to the employees, that the cost of special drugs which are not stocked in dispensaries is also reimbursed to the employees, that well-equipped dispensaries under qualified medical officers have also been set up at staff colonies for the benefit of the employees and their families, that the family members of the staff residing at these colonies are allowed to avail themselves of the medical facilities at these dispensaries at subsidised rates (practically half of what would have to be paid by them to private practitioners) while treatment to the employees themselves is free of charge, that in addition to these facilities, the Reserve Bank has made comprehensive arrangements for the hospitalisation of the employees and their families, that for this purpose beds had been reserved at certain centres with Government/Municipal hospitals and all charges incurred in the hospital

both for an employee as well as for his family members are borne by the Reserve Bank, that employees and their families are also paid charges for indoor treatment in any private hospital of their choice, the Reserve Bank's liability being restricted to what it would have paid if treatment had been taken in a recognised hospital, that arrangements have also been made with various Sanatoria for the treatment of the employees and their family members suffering from T.B. and that the entire cost of such treatment which often runs into thousands of rupees per head is borne by the Reserve Bank. The Reserve Bank has submitted that the medical aid and expenses and facilities provided by the Bank are extremely generous, more so when compared to the facilities extended in Government service as well as by commercial banks. As regards maternity cases, the Bank has stated that its scheme is intended to provide for treatment for its employees and their families in the case of illness and that it was most unreasonable to call upon the Bank to include maternity cases as well. The Bank considers as unreasonable the demand for full time doctors at branches where the number of employees exceeded 300 and part time doctors for a minimum period of four hours at other branches and has stated that the hours of attendance of Bank's Medical Officers have been fixed on the basis of the staff strength at each office. The Bank has submitted that the demands made should be rejected.

8.4. The present position in the Reserve Bank of India in connection with medical aid as given by the Bank in an exhibit is as under:—

"A—Medical Officers—Terms of Appointment:

1 and 2. The appointments of the Bank's Medical Officers are not made in consultation with the local Association. The posts are usually advertised and final selection made after interview of the prospective candidates. The local Civil Surgeon is usually associated with the interviews.

The services of the Bank's Medical Officer are terminable at one month's notice on either side.

The Bank has appointed part-time Medical Officers at all Centres. The hours of attendance of the Bank's Medical Officers at the different centres vary according to the requirements at each office as follows:—

Bombay—4½ hours on week days and 2 hours on Saturdays; Calcutta—2½ hours daily; New Delhi and Madras*—2 hours on week days and 1 hour on Saturdays; Kanpur and Bangalore—1 hour daily; Lucknow—1 hour on alternate days and Nagpur—2 hours daily. At Trivandrum, Ahmedabad, Hyderabad, Patna, Gauhati, Ludhiana, Jaipur and Indore, where the number of staff is small, there are no fixed hours but the employees are permitted to consult the local Bank's Medical Officer at his private dispensary at any time during his usual working hours.

*1½ hours on Saturdays

3. As at the main offices, part-time doctors have been appointed for the staff colonies at Bombay, Delhi, Madras and Nagpur. Their appointments are made on the same basis as in the case of the Bank's Medical Officers attached to office dispensaries.

The hours of attendance of these Bank's Medical Officers are as indicated below:—

	Hours of attendance of Bank's Medical Officer.
Bombay	
Buculla Colony	2½ hours daily.
Mahim Colony (Subordinate Staff Quarters)	1½ hours „
New Delhi	
Sarojini Nagar Colony	2 hours „
Madras	
Poonamallee High Road Colony	1½ hours „
Nagpur	
Telankhedli Road Colony	1½ hours „

They are not provided with residential accommodation in the staff colonies; it is the Bank's experience that the doctors are not prepared to stay in the colony even if they are offered a flat.

B—Dispensaries:

The Bank has its own dispensaries at Bombay, Calcutta, New Delhi, Madras, Kanpur, Nagpur, Bangalore and Lucknow in charge of the Bank's Medical Officers. At other centres, Bank has made arrangements with the local Bank's Medical Officers for supply of medicines from their own private dispensaries. At the staff colonies at Bombay, Delhi, Madras and Nagpur, the Bank has its own dispensaries. The dispensaries maintained by the Bank at its offices and staff colonies are well-equipped and are stocked with all ordinary medicines as also such of the special drugs and injections as are frequently required for treatment of patients.

Medicines, drugs, etc. are supplied to employees from the dispensaries free of cost. In the case of special drugs or injections prescribed by the Bank's Medical Officer which are not available in the dispensaries, the employee may purchase them separately and claim reimbursement from the Bank or they can be obtained without payment from approved chemists with whom the Bank has made special arrangements.

Note.—Employees resident in the colony are required to pay visit fees to the Bank's Medical Officers when the latter are called to attend on them at their residence, at the following rates:—

VISIT FEES.**Bombay—**

Byculla Colony (1) Rs. 3.00 in the case of Supervisory Staff.
(2) Rs. 2.00 in the case of Clerical Staff.

Mahim Colony (Subordinate Staff) Re. 1.00

Delhi

Sarojini Nagar Colony Re. 1.00

Madras

Poornallee High Road Colony Re. 1.00

Nagpur

Telankhedi Road Colony Re. 1.00

C—Employee—Medical Facilities:

1. *Ordinary Medical Attention.*—(a) Free medical facilities are provided to employees at the Bank's dispensaries both in the offices and the Staff Colonies.

(b) The Bank does not ordinarily entertain claims on account of private treatment taken by employees as they are normally expected to look to the Bank's Medical Officer or to its hospitalisation scheme for all medical facilities. Suitable monetary relief is, however, granted in deserving cases, i.e., where the employee had real difficulty in receiving medical attendance at the Bank or at the hospital (for example in an emergency or in cases of employees falling ill while on leave at a place where there is no Bank's Medical Officer or a Government Hospital nearby necessitating treatment from a private doctor) but not where outside medical help was sought for without sufficient reasons, primarily to suit the employee's own convenience. The Bank has also made an exception in the case of private treatment for typhoid/enteric fever. As it may be difficult to consult the Bank's Medical Officer or to secure admission in a hospital for treatment in such cases, private treatment is recognised and the cost of Chloromycetin—which is a specific drug for typhoid—usually prescribed by doctors is reimbursed to employees, particularly since it is an expensive drug.

Note.—The medical facilities include treatment of dental, opthalmic and ear, nose and throat diseases but do not include provision of spectacles, dentures, hearing and other aids to employees.

2. *Specialists treatment.*—(a) Where the employee is suffering from a complaint which cannot be attended to by the Bank's Medical Officer or the hospital and requires attendance by a Specialist, the Bank considers the grant of suitable monetary aid having regard to the merits of the case provided the treatment has been recommended by the Bank's Medical Officer and prior approval of Central Office has been obtained.

Pathological etc. Examinations.—(b) An employee who requires to undergo pathological/radiological examinations or dental treatment is sent by the B.M.O. for such examination/treatment as an outdoor patient to one of the Government/Municipal General Hospitals where the Bank has made arrangements and at centres where no such arrangements have been made to Government/Municipal Hospitals. Employees are also permitted to avail themselves of these facilities in any private (i.e. hospitals under the management of a trust, charitable institution or a religious mission) or public hospitals but in such cases the Bank would reimburse only the charges which would have been payable by it had the employees undergone examinations or taken treatment at one of the approved Government/Municipal Hospitals. For this purpose, private pathologists/radiologists, dentists, nursing homes, private clinics, etc. will be outside the scope of the concession.

D-I. *Employee—Hospitalisation:*

1. The Bank has reserved beds in certain Government/Municipal Hospitals at some centres for treatment of employees and their families viz. in Bombay (11 beds in K.E.M. Hospital and 5 in Nair Hospital), in Calcutta (3 beds in Special Ward in S.S.K.M.—President General—Hospital and 2 in General Ward in R.G. Kar Medical College Hospitals) and in Delhi (2 in Special Ward of Willingdon Hospital and 1 in General Ward of Safdarjang Hospital).

The total annual reservation charges which the Bank pays at present to the different hospitals at the various centres come to Rs. 22,120. Apart from this the Bank has made lump sum donations initially of Rs. 2,85,000 to K.E.M. Hospital at Bombay and Rs. 10,000 to R.G. Kar Medical College Hospitals at Calcutta. Towards the maintenance of the reserved beds in the K.E.M. and Nair Hospitals at Bombay the Bank also pays a further donation of Rs. 6 per day per bed when occupied.

At other centres, where the Bank has not reserved beds in hospitals the Bank's Medical Officer assists the employees and their family members in securing admission to the General Ward or lowest paying bed in a Government/Municipal Hospital and the hospital charges and cost of treatment are borne by the Bank.

Employees and their family members, if they so desire, are also permitted to take indoor treatment with the prior approval of Bank's Medical Officer in any 'private' hospitals (i.e. hospitals under the management of a Trust, Charitable Institution or a religious mission) or public hospitals of their choice but the Bank in such cases would reimburse only the charges to the extent that would have been payable had the treatment been taken by the employees in an approved hospital. Private Nursing Homes are outside the scope of this concession.

2. For treatment of employees and their family members afflicted with T.B., the Bank has reserved 4 beds in G.T.B. Hospitals, Sewree, Bombay and 4 beds in the Bel-Air Sanatorium, Panchgani for Bombay employees, 2 beds at K.S. Ray T.B. Hospital for Calcutta employees and 1 bed in Lala Ram Sarup T.B. Hospital, Mehrauli for New Delhi employees. The total annual reservation charges which the Bank pays at present to the different hospitals at the various centres come to Rs. 16,325. A non-recurring capital grant of Rs. 16,000 has been initially paid to K.S. Ray T.B. Hospital at Calcutta, and at Bombay a donation of Rs. 6 per day per bed when occupied is being paid by the Bank towards the maintenance of the 4 reserved beds in the G.T.B. Hospitals, Sewree. The Bank has also paid a sum of Rs. 16,500 to the Government of Madras for the construction of a two-bedded cottage in the Government Sanatorium, Tambaram for the treatment of Madras Office employees and their families and pending construction of this cottage the Bank has been arranging for the treatment of its employees at Madras and their family members who are suffering from T.B. at Govt. Sanatorium, Tambaram, at Bank's cost. At other centres, the B.M. Os. assist the employees and their family members in securing admission to the General Ward or lowest paying bed in Government/Municipal T.B. Hospitals. The Bank bears the expenditure of treatment in T.B. cases upto a reasonable extent (including the cost of fares for transferring the patients undergoing treatment at Bel-Air Sanatorium, Panchgani to Bombay for purposes of operation and back both in the case of the employees and their family members). The Bank also bears the cost of A.P./P.P. treatment in the case of the employees after discharge from hospital. It is also open to employees and their family members to take treatment with the prior approval of the Bank's Medical Officer in any 'private' or public T.B. Hospital or Sanatorium of their choice but in such cases the Bank would reimburse them the charges which would have been payable had they taken the treatment in the approved hospitals.

In the case of diseases like cancer, mental derangement, leprosy, etc. the employees and their family members are allowed to avail themselves of treatment in any recognised hospital subject to the condition that the Bank would reimburse charges upto a reasonable extent and on the basis of the charges applicable to the General Ward/lowest paying bed.

Note.—Although only a limited number of beds have been reserved at certain hospitals, there have been occasions when the Bank arranged for additional beds at Bank's cost when all the reserved beds were found occupied. Particularly, in the cases of the Bel-Air T.B. Sanatorium, Panchgani, there have always been on an average about 8 patients (employees and families) undergoing treatment at a time at Bank's cost as against only four reserved beds.

D-II. (a) Hospital charges:

Where the treatment is taken in a reserved bed the Bank bears in full all charges for indoor treatment, viz., cost of accommodation charges for ordinary nursing, medical attendance, pathological, radiological and bacteriological examinations, specialists' fees, operation charges, blood transfusions and cost of ordinary medicines etc. supplied by the hospitals. In the case of treatment taken in hospitals other than those where the Bank has made arrangements the employees and their families are reimbursed only the charges to the extent that would have been payable had the treatment been taken in the approved hospital. In the case of Madras, the Bank reimburses the actual hospital charges incurred including accommodation, diet, ordinary nursing and medicines, professional services of Medical Officers and ordinary pathological etc. examination charges subject to a maximum of Rs. 8.25 per day (which is roughly the amount that the Bank was required to pay under the Hospital scheme in Madras in 1951 when arrangements were made for reservation of three beds in the Government General Hospital, Madras at a cost of Rs. 3,000 per bed per annum).

(b) *Cost of special drugs.*—The Bank reimburses the cost of special drugs and injections (including insulin and vitamin injections if administered for curative purposes) that may be prescribed by the hospital authorities in the course of indoor treatment of employees and their families. Instead of purchasing the special drugs etc. themselves and claiming reimbursement from the Bank, it is also open to the employees to obtain their requirements without payment from the local druggists with whom the Bank has made standing arrangements at each centre.

The cost of tonics, vitamin tablets, toilet preparations, disinfectants etc. is not, however, reimbursed.

(c) *Diet charges.*—Cost of diet is borne by the Bank in the case of both employees and families wherever it is charged for separately in the case of reserved beds.

Maternity cases and connected complications such as abortion/miscarriage, pre-natal and post-natal maladies etc. are not covered by the Bank's Medical Scheme.

E-Families—Medical Facilities:

1. *Ordinary Medical Attention.*—Facilities for the treatment of family members of employees for ordinary illness are not admissible under the Bank's scheme of medical facilities. However those residing in the Bank's Staff Colonies are allowed to avail themselves of the medical facilities in the Colony Dispensaries at subsidised rates as follows:—

One day's medicine (Mixture and Powder)	Dressing	For giving one injection—fees of Doctor.	Visit fees during the working hour of the Colony Doctor
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(1) Bombay.

Byculla (Class II and Class
III Staff).

37 nP.

37 nP.

Rs. 1.00

(i) Rs. 3.00 in the
case of family
members of
Supervising Staff.

	One day's medicine (Mixture and Powder)	Dressing	For giving one injection—fees of Doctor.	Visit fees during the working hour of the Colony Doctor
				(ii) Rs. 2.00 in the case of family members of clerical staff.
(2) <i>Mahim</i>	25 nP.	25 nP.	50 nP.	Re. 1.00
(Subordinate Staff Quarters)				
<i>New Delhi</i>				
Sarojini Nagar Colony	37 nP.	37 nP.	Re. 1.00	Re. 1.00
<i>Madras</i>				
Poonamallee High Road Colony	37 nP.	37 nP.	Re. 1.00	Re. 1.00
<i>Nagpur.</i>				
Telankhedl Road Colony	40 nP.	40 nP.	Re. 1.00	Re. 1.00

2. *Specialists Attention and Pathological etc. Examinations.*—The reimbursement by the Bank of fees for consultation of specialists and other pathological, X-Ray and other examination charges in the case of members of families is limited to such consultation/examination made while undergoing treatment as in-patients in the approved hospitals. In the case of such consultation/examination when the members of families are undergoing treatment in a 'private'/public hospital the Bank would reimburse the employees the charges which would have been payable by it had the members of families taken treatment at one of the Government/Municipal Hospitals. For this purpose, private pathologists/radiologists, nursing homes, private clinics, etc. will be outside the scope of the concession.

3. *Hospitalisation.*—Same facilities as provided in the case of the employee with the exception that the cost of A.P./P.P. treatment in the case of T.B. patients after discharge from hospital is not borne by the Bank in the case of the family members of employees.

F.—1. The Bank's scheme of medical facilities applies only to treatment under the allopathic system.

2. For the purpose of the Bank's Medical Facilities scheme "family" means an employee's wife and children (including adopted and step children) ordinarily residing with and wholly dependent on an employee.

3. Full time employees (permanent and temporary) of the Bank are entitled to all the facilities provided by the Bank under its medical facilities scheme. The part-time employees of the Bank enjoy only such of the ordinary medical facilities as are admissible to full-time employees at the Banks dispensaries (or at the dispensaries of the Bank's Medical Officers at centres where the Bank does not have its own dispensary)."

8.5. The facilities provided by the Bank are fair and may be regarded as liberal. There are however, a few small matters in respect whereof the employees have some grievance and the same need to be redressed. It was strongly urged by Shri Sule, the learned advocate for the Union, that if the Bank's medical officer prescribed vitamin injections for an employee, the same were paid for by the Bank, but if the same officer prescribed vitamin tablets to be administered orally, the same were not paid for by the Bank. In my view, the Bank may well extend the facility of paying for vitaminous preparations administered orally for curative purposes when prescribed by the Bank's medical officer for its employees, and I direct accordingly.

8.6. A complaint has been made that where the Bank's medical officer visits the place of an employee and prescribes medicines for the employee, the Bank does not pay for the medicines so prescribed. In my view, it should make no difference whether the medicine is prescribed by the doctor at the Bank's dispensary or at the place of residence of the employee where the doctor may have gone to pay him a visit. If the Bank would have paid for the medicine or supplied the medicine free of cost or at a subsidised rate if the same had been prescribed at the Bank's dispensary or at the Bank's medical officer's clinic the Bank should act in a similar manner if the medicine is prescribed at the place where the Bank's medical officer might have gone to visit an employee and I direct accordingly.

8.7. A complaint has been made that hospital charges are only borne by the Bank in certain cases if employees or the members of their family have been admitted to the hospital after obtaining the prior permission of the Bank's medical officer, but if such prior permission had not been obtained such hospital charges are not borne by the Bank. It was stated that emergent circumstances may arise which would necessitate the removal of a person to hospital without there being sufficient time for obtaining the prior permission of the Bank's medical officer, and that the Bank should in such circumstances bear the hospital expenses. In my view, if under emergent circumstances, a person has been removed to hospital without obtaining the prior permission of the Bank's medical officer, then on the Bank's medical officer being satisfied about the same the Bank should reimburse the employee or bear the expenses to the same extent as it would have done if the person had been removed to such hospital after obtaining the prior permission of the Bank's medical officer and I direct accordingly.

8.8. Having considered all aspects of the matter and all the evidence in connection with the same, save as herein provided, I give no other directions to the Bank in connection with the items of medical aid and expenses.

CHAPTER IX

Item No. 10 in Schedule I

Item No. 8 in Schedule II

CONFIRMATION OF TEMPORARY EMPLOYEES ON COMPLETION OF SIX MONTHS' SERVICE

9.1. The Association has pleaded that the Bank has not anywhere laid down any rules or regulations for confirmation of temporary employees, that at present a temporary employee, at the time of recruitment, is given a letter which says that his services are terminable by 24 hours' notice on either side and that in the absence of any rules and regulations in this connection the matter is entirely left to the respective heads of departments, who, without following any objective method, either confirm employees or do not do so. The Association has alleged that recently at the Kanpur office, three permanent employees of the Cash Department were transferred to the general side against permanent vacancies in which five temporary employees, who had put in more than five years' service, were working and that the normal thing which should have been done was to confirm three out of the five temporary employees. The Association has complained that the Bank was maintaining about 30 per cent of the staff on temporary and sometimes, on officiating basis in spite of three to four years' continuous service put in by such employees, that the Bank, by its letter of 4th November 1958, had informed the Association that as on 30th of June 1958 there were as many as 1,046 temporary employees in Class III as against 4,808 permanent employees in that Class, and that the Bank took the stand that the question of confirmation depended upon the posts sanctioned. It has further stated that the Deputy Governor had made it clear that it was not possible to stipulate any specific time limit within which an employee could be confirmed, that about 70 employees recruited in Lucknow office of the Bank had been told in writing that their services would be dispensed with when that office was shifted from Lucknow to Kanpur, that no date had been fixed for such shifting and that the workmen had, therefore, been indefinitely kept on temporary basis. The Association has demanded that the Bank must confirm them in service. The Association has alleged that the Sastry Award had prescribed six months' time limit for confirmation, that the six months' period was very common in all commercial institutions and that there was no reason why the Bank should not be made to fall in line with the practice obtaining elsewhere.

9.2. The Union by its statement of claim has pleaded that the Bank was informed on innumerable occasions about the defects in its "policy of maintaining more than 50 per cent of the staff on temporary basis in spite of three to four years' continuous service", and that the Bank had averred that it was not possible to stipulate any specific time limit within which such an employee could be confirmed. It has further pleaded as follows:—

"The word 'temporary' as used in the Bank actually means probationary employees as may be seen from section 503 of the Sastry Award."

It has prayed that the Bank may be directed to confirm all those employees who have put in more than six months' service.

9.3. In reply, the Reserve Bank has pleaded that an employer was the best judge of the strength and nature of his labour force, that it was not correct that the Bank had not laid down any rules and regulations with regard to the confirmation of temporary employees, that a temporary employee was confirmed in the Reserve Bank's service when a permanent vacancy against which he could be absorbed arose, that it was not possible to stipulate any time limit within which a permanent vacancy would arise, that the Reserve Bank had certain items of work which had to be undertaken on a temporary basis and unless the Bank was satisfied that the work was to continue on a permanent basis the post could not be made a permanent one, and therefore, the employees working against such posts had perforce to be kept on a temporary basis and that the Reserve Bank as a nationalised institution had special responsibilities to ensure that there should not be surplus staff. The Reserve Bank has denied that the question of confirmation of temporary employees was left to the heads of departments or that the Reserve Bank had never thought it fit to do anything in the matter, that the Reserve Bank was always keen to confirm as many employees as possible consistent with the requirements and that with that end in view, had issued instructions to all its offices and departments to review the temporary staff position periodically and that accordingly the Bank's offices were at present reviewing the position annually and submitting reports to the Central Office. It is further stated that if as a result of such a review it was found that certain posts could be placed on a permanent basis necessary orders were issued from the Central Office, that a special review of the temporary staff was made in 1958 and it was decided on an *ad hoc* basis that half the number of temporary employees in the grade of clerks, coin/note examiners and typists at each office should be made permanent on supernumerary basis provided the employees were otherwise suitable for confirmation and provided further that employees to be confirmed under that order had rendered not less than three years continuous service as on 1st July 1958. The Reserve Bank has denied that three permanent employees of the Cash Department at Kanpur were transferred to the general side against permanent vacancies in which five temporary employees had put in more than five years service. It has stated that the correct position was that four permanent coin/note examiners Grade II were transferred to the general side as clerks Grade II in April and May 1960. Three of them were at present working against temporary posts and one against a permanent post. None of the four employees had been absorbed so far in permanent vacancies and that the statement that there were five temporary employees with over five years of service was also not correct. It has further stated that apart from the constant review by the heads of each department, the Inspection Department of the Bank during the course of inspection of the Bank's offices and departments, which is being done almost annually, conducts an on the spot review of the staff position and embodies its recommendations in its report which is considered at the Central office. It has further stated that the Sastry Tribunal had laid down that ordinarily the period of probation should not exceed six months, that a probationer was defined by the Sastry Tribunal as one who was provisionally employed to fill a permanent vacancy or post and had not been made permanent or confirmed in service, that a temporary employee was defined, by the Sastry Tribunal, as an employee who had been appointed for a limited period for work which was of an essentially temporary nature or who was employed temporarily as an additional employee in connection with the temporary increase in work of a permanent nature, that so far as employees on probation were concerned, the Reserve Bank's rules provided for six months' probation which may be extended to one year, that most of the Bank's temporary staff fell within the category of temporary employees as defined by the Sastry Tribunal for whom even the Sastry Award had not laid down any specific period for confirmation, that the bulk of the temporary staff belonged to the Issue Department where it was always necessary to have a floating staff as the nature of the work in that department depended on note circulation and it was not possible to confirm all the temporary employees merely because

they had put in a specified period of service. It is stated that so far as the Lucknow office was concerned, it was purely a temporary office and would be closed down as soon as the work for which it was set up, namely the issue of Zamindari Bonds, was completed, and that fresh recruits to that sub-office were clearly informed that their services would be temporary. It is further stated that quite often, the Reserve Bank was called upon to perform certain specific jobs of a temporary nature and it would be impossible and unreasonable to expect the Reserve Bank to recruit employees on the basis of permanency. As regards the service conditions of temporary employees, the Reserve Bank has stated that consistent with the temporary nature of their employment, almost all facilities extended to permanent employees were extended to these employees as well and that the demands made were unreasonable and against the interests of the temporary employees themselves and should be rejected.

9.4. The Association has, in its statement of claim, mixed up probationers with temporary employees and has erroneously stated that the Sastry Tribunal had "prescribed six months' time limit for confirmation" in connection with temporary employees. The Sastry Tribunal has in paragraph 508 of its award directed that employees should be classified as (a) permanent employees, (b) probationer, (c) temporary employees, and (d) part-time employees, and has defined a probationer as "an employee who is provisionally employed to fill a permanent vacancy or post and has not been made permanent or confirmed in service" and a temporary employee as "an employee who has been appointed for a limited period for work which is of an essentially temporary nature, or who is employed temporarily as an additional employee in connection with a temporary increase in work of a permanent nature". It is only in respect of probationers that the Sastry Tribunal, in paragraph 495 of its award has provided that "ordinarily the period of probation should not exceed six months". It has further provided that in the case of probationers whose work was not found to be quite satisfactory during the said period but who were likely to improve and give satisfaction if a further opportunity was given to them, the period may be extended by three months provided due notice in writing was given to them and their consent in writing was obtained before the extension of the period of probation, and that in all other cases probationers, after the expiry of the period of six months, should be deemed to have been confirmed unless their services were dispensed with on or before the expiry of the period of probation. No such directions are given by the Sastry Tribunal in connection with temporary employees.

9.5. At the hearing it was urged on behalf of the Reserve Bank that for regular work there were no temporary employees, but the Reserve Bank had to carry out duties which, though of a temporary nature, may extend over a considerable period of time and that was the reason why temporary employees were there sometimes even for three or four years. It has further urged that if there was a job extending over a long period and employees were made permanent, then permanent posts would be unnecessarily created and after the work was over, sinecure posts would come into existence. It has filed a statement showing the number of temporary employees in Class III at the office of the Reserve Bank at different centres as on 31st March 1961. It shows that the total number of temporary employees in Class III as on that day was 1,112. It has, however, stated that after 31st March 1961, 374 temporary employees out of the above 1,112 employees had been confirmed upto 31st of October 1961. It has also filed a statement showing that the number of temporary employees in Class IV at various offices of the Reserve Bank as on 31st March 1961 was 299 whereat 117 employees had been confirmed after that date upto 31st October 1961. It has also filed a statement in which reasons are given for prolonged temporary service. The following are some of the passages appearing in that Statement:—

"Prolonged temporary service is mainly due to the following reasons:

- (a) The work for which the posts have been sanctioned is of a gradually diminishing nature or is expected to cease after some time.

Instances in point.—(1) Sections have been created on temporary basis of Bombay, Delhi, Bangalore, Patna, Lucknow, etc., for dealing with the issue of Compensation Bonds under the Land Tenure Abolition Acts of the respective State Governments. There will be a steep decline in the quantum of work once the bonds are issued and some posts have, therefore, to be retained on a temporary basis.

* * * * *

(ii) Temporary Sections have also been created to deal with the Issue of Five Year Interest Free Prize Bonds (Second Series).

(iii) Typists have been sanctioned to some Public Debt Offices on a temporary basis in 1958 for clearing arrears in the work of listing of cancelled securities.

(iv) A few posts have been sanctioned to the Exchange Accounts and Resources Sections of the Issue Department in each of the offices for work connected with withdrawal of coins of the Anna-pie series. These posts will have to continue on a temporary basis until coins of the Decimal series replace completely those of the Anna-pie series which are being demonetised in stages.

(v) Temporary posts of Field Inspectors/Investigators which have been sanctioned to the Economic Department for conducting the Follow-up Survey will continue only until the survey is over.

(vi) The following posts which have been sanctioned for the All-India Rural Debt and Investment Survey will continue until the survey is over.

(A list of posts totalling 400 is given)

(vii) Some of the posts in the Exchange Control Department have perforce to continue on a temporary basis as the work for which they have been sanctioned depends on Government's policy. For instance in 1958 Government of India requested the Department to supply 3 certified copies of Exchange Control forms covering payments made against certain imports and to cope with this work staff under various cadres was sanctioned. This work is now on the wane.

(b) Non-availability of clear vacancies.

(c) Other reasons.

9.6. By paragraph 23.15 of my award in Reference No. 1 of 1960 I have defined a temporary employee as "an employee who has been appointed for a limited period for work which is of an essentially temporary nature, or who is employed temporarily as an additional employee in connection with a temporary increase in work of a permanent nature and includes an employee other than a permanent employee who is appointed in a temporary vacancy of a permanent workman." The definition is indicative of the purposes for which a temporary employee may be employed.

9.7. There was a fairly large number of temporary employees in the Reserve Bank some time back. The Reserve Bank has provided for a review of the position by heads of each department, by the inspection department and by the central office, with the result that the number has now been considerably reduced. In view thereof, it is not necessary to give any directions to the Bank in connection with the same. Where work is of a temporary nature it would not be reasonable to ask the Bank to create permanent posts and fill up the same. There cannot be any specific period provided after the lapse of which a temporary employee should be made permanent. The demand that the Bank should be directed to confirm all temporary employees who have put in more than 6 months' service is unreasonable and is rejected. I may, however, observe that it is desirable that after a temporary employee has put in three years continuous service he should as far as possible be absorbed in the permanent service of the Bank.

CHAPTER X

Item No. 11 in Schedule I

Item No. 9 in Schedule II

FIXATION OF PAY ON PROMOTION TO HIGHER GRADES

10.1. Regulations 68 and 69 of the Reserve Bank of India (Staff) Regulations, 1948, which relate to the above subject provide as under:—

"68. On promotion from one grade to another, the substantive pay of an employee shall be initially fixed at the stage in the new scale which is next above his substantive pay in the old scale.

69. An employee who is appointed to officiate in a higher grade shall, so long as he shall hold such a grade, draw an officiating pay equal to the difference between his substantive pay in the old scale and the stage in the scale of pay of the post in which he is appointed, which is next above his substantive pay in the old scale provided that when the promotion is of a temporary nature and the circumstances of the promotion so justify, the Governor may fix the pay of an employee at an amount less than that admissible under this Regulation."

10.2. The Association has pleaded that the monetary benefit accruing to an employee on promotion is hardly commensurate with the additional responsibilities shouldered, that apart from a change in status in the official hierarchy the real benefit in remuneration was insignificant, and that there were instances where the total emoluments of an employee would actually decrease on promotion, but in such cases the Bank rectified the matter "in an *ad hoc* manner" by allowing the employee on promotion to draw emoluments equivalent to what he had been drawing in his substantive grade, the difference being absorbed in his future increments in the higher grade. The Association has claimed that on promotion of an employee to a higher grade a sum equivalent to 20 per cent. of his substantive pay should be added to his pay and he should then be fitted into the next higher stage in the scale of pay in the higher grade so as to ensure to him an increase in remuneration worth the name for the additional burden and responsibilities shouldered on promotion to the higher post.

10.3. The Union has in this connection referred to the provisions of paragraph 178 of the Sastry Award and the provisions contained in the decision of the Labour Appellate Tribunal relating to officiating allowance. Paragraph 178 of the Sastry Award provides as under:—

".....where a workman officiates for a period longer than 15 days he shall be paid an allowance calculated at the rate of 20 per cent. of his own basic pay or 50 per cent. of the difference between his basic pay and that of the person for whom he acts, whichever is lower." The Labour Appellate Tribunal in the course of its decision has stated in paragraph 158 that the limit of 15 days had been properly fixed by the Sastry Tribunal, that it saw no reason why the person officiating should not draw the full 20 per cent. so long as the officiating allowance together with his basic pay did not exceed the basic pay of the permanent incumbent and has directed that the quantum of the officiating allowance be fixed as follows:—

- "(1) Where the basic pay of the permanent incumbent exceeds the basic pay of the person officiating, the officiating allowance shall be 20 per cent. of the basic pay or the difference between the two basic pays, whichever is less, provided that in no case will the officiating pay be less than 10 per cent. of the basic pay of the person officiating.
- (2) Where the basic pay of the permanent incumbent is equal to or less than of the person officiating, the officiating pay shall be 10 per cent. of the basic pay of the person officiating."

The Union has submitted "that the fixation of pay on promotion to a higher category in the same class or to a higher grade should be so made that an employee gets the benefit of an increase of at least 20 per cent. of his old substantive pay or that his new pay is adjusted on the basis of the years of service of such an employee had he been on the post in which he officiates whichever is higher" and that wherever an employee officiates for a period of 15 days or more he should be entitled to an officiating pay calculated on the above basis.

10.4. The Reserve Bank has in reply pleaded that it should be borne in mind that the Staff Regulations cover all employees and that in the working of these regulations there may be cases where an employee on promotion may not draw at the initial stage by way of total emoluments more than what he was drawing before promotion, that the Bank ensures that there will be no reduction of emoluments on promotion, that on promotion to a higher grade an employee has the benefit of a different pay scale with a higher maximum, that the demand made by the Association was exorbitant and excessive, that on the average the chances of promotion in the Reserve Bank were very much greater than in commercial banks, that superintendents in the Reserve Bank were always promoted from the lower cadres and that 84 per cent. of the present officers on the general side also rose from lower cadres. It has submitted that there was no principle to justify the Association's demand and that the same should be rejected. It has submitted that it did not call upon an employee to act in higher grade if the vacancy was for less than a month. It has opposed the demands made by the Association and the Union.

10.5. The provisions referred to above from the decision of the Labour Appellate Tribunal relate only to cases where a person is asked to officiate in any post and do not cover the cases where a person is permanently promoted to a post.

10.6. According to a statement filed by the Reserve Bank, officiating promotions are not ordinarily made in vacancies which at the time they arise are not expected to last for a period of at least one month, and that on such occasions the junior staff are given the responsibility of higher charge and their merit for future promotion judged during the period of the superior charge. It has stated however that in cases of vacancies in the officer's and supervising grades and tellers' and higher grades in the Cash Department, short term promotions of less than one month's duration are made if necessitated in the interests of the Bank. The present rule applicable to the employees of the Government of India based on the recommendations of the Second Pay Commission is as under:—

"F.R. 22-C. Notwithstanding anything contained in these Rules, where a Government servant holding a post in a substantive, temporary or officiating capacity is promoted or appointed in a substantive, temporary or officiating capacity to another post carrying duties and responsibilities of greater importance than those attaching to the post held by him, his initial pay in the time-scale of the higher post shall be fixed at the stage next above the pay notionally arrived at by increasing the actual pay drawn by him in the lower post by one increment at the stage at which such pay is drawn:

Provided that the provisions of this rule shall not apply where a Government servant holding a Class I post in a substantive, temporary or officiating capacity is promoted or appointed in a substantive, temporary or officiating capacity to a higher post which is also a Class I post:

Provided further that the provisions of sub-rule (2) of rule 31 shall not be applicable in any case where the initial pay is fixed under this rule:

Provided also that where a Government servant is immediately before his promotion or appointment to a higher post, drawing pay at the maximum of the time-scale of the lower post, his initial pay in the time-scale of the higher post shall be fixed at the stage in that time-scale next above such maximum in the lower post.

Explanation.—In this rule, the expression "Class I" has the meaning assigned to it under the Central Civil Services (Classification, Control and Appeal) Rules, 1957".

10.7. In respect of clerks grade I and coin/note examiners grade I, I have under this award provided that their pay scales would be the same as those provided for clerks grade II and coin/note examiners grade II, but they would be entitled to an additional special pay of Rs. 12 per month. When a clerk in Grade II or a coin/note examiner in grade II is promoted to grades I, I direct that he should be entitled to receive a special pay of Rs. 12 on being promoted to the higher grade. In the event of his being asked to officiate in that post temporarily, I direct that he should be entitled to receive a special pay of Rs. 12 during the period of such officiation, provided the duration of officiation is for a period exceeding 15 days. Similarly, where the scales of pay are common both to the grade from which an employee is promoted and the grade to which he is promoted, but an additional special pay is provided for a person in the higher grade, I direct that such special pay should be paid to a person on his permanent promotion to the higher grade. I further direct that such special pay should also be paid when a person temporarily officiates in such higher grade during the period of such officiation, provided the duration thereof exceeds 15 days. In other cases of promotion from one grade to another, the substantive pay of the employee shall be initially fixed in the time scale of the higher post at the stage next above the pay notionally arrived at by increasing the actual pay drawn by him in the lower post by one increment at the stage at which such pay is drawn; where an employee was immediately before his promotion or appointment to a higher post, drawing pay at the maximum of the time scale of the lower post, his initial pay in the time-scale of the higher post shall be fixed at the stage in that time-scale next above such maximum in the lower post. An employee who is appointed to officiate in a higher grade shall, during the period of officiation draw an officiating pay, which shall be the same as that which he would have drawn had he been permanently appointed in the post in which he officiates provided the duration of officiation is for a period exceeding 15 days.

CHAPTER XI

Item No. 13 in Schedule I

Item No. 16 in Schedule II

EXTENT TO WHICH STAFF CANTEENS SHOULD BE SUBSIDISED, AND THE TERMS AND CONDITIONS THEREOF

11.1. The existing position in connection with canteen arrangements at different centres, as stated by the Bank, is as under:—

Bombay.—The canteen is at present managed by a Canteen Committee consisting of 3 representatives from the Bank, 4 representatives from the Association and 3 representatives from the Union. The Bank has made a grant of Rs. 10,000 towards the purchase of initial equipment and also pays a monthly grant of Rs. 1,000 towards the wages of the canteen staff. The Bank has also provided rent-free accommodation and furniture for the canteen.

Calcutta: Main Building.—The Canteen is run by the local Staff Association on their own. Two rooms have been placed by the Bank at their disposal, free of rent. Furniture, fans and lights are provided by the Bank. Electrical charges are borne by the Bank.

Exchange Control Department (housed in rented building).—The canteen is run by the staff in a small portion of the hall. Electrical charges are borne by the Bank.

Department of Banking Operations (housed in rented building).—A khitmatgar (employed by the Bank) prepares tea, etc., for the staff.

Issue Department (housed in rented building).—The canteen is run by a Committee elected by the staff. A tiffin room, kitchen with necessary furniture and equipments and the services of 4 khitmatgars are made available by the Bank to the canteen. No rent is paid by the canteen and the electricity charges are borne by the Bank.

Madras (housed in Bank's own building).—The canteen is managed by the Staff Association and Union on a co-operative basis. The Bank has provided free accommodation and furniture to the canteen.

New Delhi (housed in Bank's own building).—A canteen was started by a private caterer but due to the unsatisfactory nature of service the Bank terminated the arrangement with him. The said caterer has refused to quit and is still continuing to run his canteen; legal proceedings are going on for his eviction from the Bank's premises. In the meantime the Bank has permitted another private caterer to run a second canteen in the office premises. The Bank has provided free furniture and other kitchen arrangements to both the canteens.

Kanpur (housed in an old building).—The canteen is run by an outside caterer in the space allotted by the Bank.

Bangalore (housed in rented building).—The canteen is run by an outside caterer. Furniture has been placed at the disposal of the canteen.

Nagpur (housed in Bank's own building).—The canteen is run by an outside caterer and an agreement is signed by the caterer with the Bank. Accommodation and furniture have been provided by the Bank.

Trivandrum (housed in a rented building).—The canteen is entrusted to an outside caterer who has brought his utensils, crockery and furniture. The kitchen attached to the premises is being used by the caterer and no rent is recovered from him. The electric charges are borne by the Bank. The Bank has since agreed to the Employees' Co-operative Canteen to run the canteen in the office premises when the present caterer vacates (instructions have been issued to give the necessary notice to him). The Co-operative canteen has been allowed free use of the kitchen and the Bank has agreed to bear the water and electricity charges.

Lucknow (housed in U.P. Government premises).—Some private caterers are running canteens in the Secretariat compound in which the Bank is accommodated and the staff are able to avail themselves of the facilities provided in those canteens.

Gauhati (housed in the Assam Government Treasury Buildings where accommodation is very limited).—Tea and other foodstuffs are brought from outside by the khitmatgar/part-time Tea/Water Boy. The Bank has provided power point and also

electric heater at its cost for preparing tea etc. in the tiffin room meant for the staff.

Hyderabad (housed in the State Bank of Hyderabad building).—The staff of the sub-office avail of the canteen facilities provided in the building for the use of the staff of the State Bank of Hyderabad. The Class III staff of the sub-office, however, take tiffin in a room allotted for the purpose. A separate room has also been provided for preparing tea.

Ahmedabad (housed in the local State Bank of India building).—The staff either share the facilities available to the State Bank employees or take tiffin outside. At the instance of the Reserve Bank, the State Bank has agreed to make a provision for separate tiffin room and sanitary facilities for the Bank's staff in the proposed extension to their building.

Patna: Public Debt Office and Agricultural Credit Department (housed in rented buildings).—The services of one full-time khitmatgar and one part-time khitmatgar have been made available for supplying tea, water, etc., to the staff of Public Debt Office and Agricultural Credit Department respectively.

Note Cancellation Section (housed in the local State Bank of India building).—The staff either get their edibles and tea through a khitmatgar (employed by the Bank) or avail of the canteen facilities available to the State Bank employees.

The Regional Office of the Agricultural Credit Department at Indore and the Note Cancellation Sections at Ludhiana, Jaipur, Lucknow and Patna.—The Note Cancellation Sections are housed in the premises of the State Bank of India and the Agricultural Credit Department, Indore in a small rented building. At these centres the staff either share the facilities available to the State Bank employees or take tiffin outside.

11.2. The Association has pleaded that at all the Offices of the Bank appropriate canteen arrangements should be made and that such canteen should ensure to the employees wholesome food for lunch and snacks at reasonable rates in a decent atmosphere and therefore there was a need for subsidy. The Association has pleaded that there are two aspects of subsidy:

(i) non-recurring initial grant for furniture, utensils and other necessary equipments and (ii) recurring grant towards (a) establishment charges like salaries for staff of the canteen, replacement of crockery, cutlery, etc., and (b) subvention for the cost of raw materials. The Association has demanded that the Bank may be directed to—

- (i) provide every office of the Bank with sufficient space, furniture, equipment, crockery, cutlery, etc., for canteen facility in accordance with the number of employees; and
- (ii) grant such subsidies to the managements of the canteens (whether run on co-operative basis or by joint committees) as will enable them to defray the establishment charges, including salaries of canteen staff, fully.

A more or less similar demand has been made by the Union.

11.3. The Reserve Bank has in reply submitted that unlike the Factories Act which statutorily requires factories to run canteens, there is no piece of legislation requiring the Reserve Bank to run and maintain or subsidise canteens. It has submitted that provision for a canteen was not part of the service conditions of a Reserve Bank employee and the demands made did not give rise to an industrial dispute and that the Tribunal had no jurisdiction to give any directions in respect of the same. Without prejudice to the aforesaid submission, the Reserve Bank has stated that its offices were so situate that there were adequate facilities for employees to have meals and snacks outside, that the Bank could not be compelled to lay aside accommodation to provide for canteens as demanded or to furnish and equip such canteens or to subsidise any canteens, that the matter was one entirely within the discretion of the Bank which should not be interfered with and that the demand should be rejected.

11.4. At the hearing Shri Palkhiwala on behalf of the Bank stated that the Bank was unable to provide facilities at all places due to terrific pressure on space, but where it was possible to provide facilities the Bank would do so. In my view,

however, much it may be desirable from the point of view of the staff to have well-run canteens where wholesome food and refreshments are made available to the members of the staff at reasonable rates, no case is made out for compelling the Bank to provide space for canteens or to provide furniture, equipment, crockery, cutlery, etc., for canteens or to grant any subsidies as demanded. Apart from the plea of jurisdiction taken by the Bank, on the footing of my having jurisdiction to deal with the demands as made, I do not see any necessity to give any directions to the Bank in connection with the demands made by the Association and the Union under this head. Accordingly no directions are given to the Bank in connection therewith.

CHAPTER XII

Item No. 14 in Schedule I

Item No. 17 in Schedule II

ESTABLISHMENT OF GRAIN SHOPS

12.1. The Association has pleaded that the provision for supply of food grains, clothing materials etc. to the employees "at subsidised standard rates" from shops established by institutions in which they are employed is but a measure of concession which gives certain amount of protection to the real wage of an employee unaffected by rises in the price-level of the commodities supplied. The Association has demanded that the system of subsidised grain shops should be revived. The Union has submitted that in order to offset the effect of any sudden rise in prices, this matter should be duly considered.

12.2. The Reserve Bank in reply has pleaded that it is no part of the conditions of service or of employment of Reserve Bank employees that the Reserve Bank should provide grain shops or supply grains at subsidised rates, that the matter was one entirely within the discretion of the Reserve Bank and this discretion should not be interfered with and that the demand should be rejected.

12.3. Under this award dearness allowance is linked up with the all-India working class consumer price index number and provision has been made in respect of the subsequent rise in prices. In my view, no case is made out for giving any directions to the Bank about the establishment of grain shops by the Bank and the claim is rejected.

CHAPTER XIII

Item No. 15 in Schedule I

Item No. 10 in Schedule II

HOURS OF WORKS AND OVERTIME

13.1. As shown in one of the Exhibits filed by the Reserve Bank, the present position in the Reserve Bank as regards hours of work and overtime is as follows:—

"The present hours of work for different categories of staff are as under:—

Classes II and III 6½ hours on week days.**

3½ hours on Saturdays.†

36 hours per week.

** exclusive of lunch recess..

† no lunch recess on Saturdays.

Class II employees are expected to attend office earlier than Class III staff and arrange for the books, files, registers, etc., to be taken out of the vaults/cupboards so that the Bank's work may start at the scheduled hour. Similarly, in the evenings, the Class II staff have to leave office later than the other staff

after satisfying themselves that the day's work has been completed and all valuables, registers, books, etc. have been properly locked up.

Class IV

For employees attached to Departments 7½ hours on week days**

4 hours on Saturdays†

41½ hours per week.

* exclusive of lunch recess.

† no lunch recess on Saturdays.

The working hours on week days of Class IV employees attached to Departments commence half an hour earlier than the time fixed for Class III staff and extend half an hour beyond their (i.e. Class III staff) closing time. On Saturdays, these employees are required to attend quarter of an hour before and leave quarter of an hour after the office hours fixed for the Class III employees. Duffries, gestetner operators, and record clerks are, however, permitted to attend office in the morning at the same time as the clerical staff on the condition that they will not claim any overtime allowance if, on any day, they are required to sit late for half an hour in the evening beyond their usual working hours.

For car drivers and other maintenance staff such as sweepers, farashes, mallis, etc. working under the supervision of the Caretaker.

45 hours per week.

For durwans (on general side) (Durwans on day duty are allowed lunch recess of half an hour).

8 hours a day on all working days including Saturdays.

48 hours per week."

"Overtime allowance is paid at 1½ times the daily pay (plus local pay where admissible) and dearness allowance drawn by an employee subject to a maximum payment of Rs. 20 per diem and Rs. 200 in any one calendar month."

"Overtime work is reckoned in blocks of half hour and every 8½ hours of work constitutes a 'day' for the purpose of payment of the allowance. In the case of durwans who work on 8 hour shift basis, overtime is paid on the basis of a 'day' constituting 8 hours.

NOTE:—Employees are compensated in one of the following manners for extra work rendered by them:—(i) the duties are staggered or compensatory offs given, or (ii) overtime is paid for work beyond normal hours; or (iii) a suitable special pay/allowance is paid per month."

"Normally staggering is resorted to where employees are required to work late daily over a certain period continuously, say for a week or so. In other cases, either overtime allowance or a special pay/allowance is paid."

"(i) No overtime allowance is paid for the cushioning period of first half an hour beyond the normal working hours but if overtime extends beyond the cushioning period and the staff actually work during the cushioning period, overtime allowance is paid for the cushioning period also. (This has been agreed to since October 1938 on an experimental basis)."

"In the case of subordinate staff, as their working hours already extend half an hour beyond those for other staff, cushioning period is not prescribed for them."

"(ii) All clerical and subordinate staff who are required to work beyond prescribed number of working hours in order to complete normal work are paid overtime allowance. * * *"

"No overtime is paid if the late sitting is on account of the mistakes committed by employees."

"(iii) There is no limit in the Bank at present as to the number of hours of overtime which an employee may be required to work."

13.2. The Association has stated that it had at no time any dispute with the Bank as regards the working hours obtaining in the Bank and that the grievance of the Association was only confined to the question of overtime. It has complained that at present there is no limit upto which an employee can be asked to work overtime. The Association has stated that in principle it is opposed to overtime work; however, on occasions when late sitting becomes unavoidable because of the exigencies of work and other relevant factors, overtime may be resorted to by the Bank.

13.3. The Association has in connection with overtime made the following demands:—

- “(i) Overtime allowance should be paid at the rate of double the pay and allowances, instead of one-and-a-half times obtaining at present, without any ceiling as regards the quantum of payment.
- (ii) Overtime allowance should be paid to all employees, irrespective of the nature of, or reason for, the work involved.
- (iii) The unreasonable condition of denial of overtime allowance during the cushioning period should be abolished.
- (iv) No employee should be compelled to work overtime for more than two hours on any given day and 60 hours in one calendar year, provided that this does not apply to employees doing work on quota basis in the Issue Department and Cash Department.
- (v) In respect of Class II employees, the present practice of the Bank is not to pay them overtime allowance for late sitting due to increase in the volume of work. It is pertinent to note in this respect that the employees who work under the supervisory staff do get overtime at the existing lower rate; but that the members of the supervisory staff who are required to sit late at times even upto midnight are deprived of their legitimate dues on account of overtime. The Association submits that, after all, an employee is paid for the normal working hours and that the Bank has no right to exact work from him without adequately compensating him for the late sitting. The system, at present prevalent, has no rhyme or reason and, as such, it should not be permitted to continue. Hence, the employees belonging to the Class II cadre should be paid overtime allowance in view of the fact that the Class II staff are in direct and continuous contact with the staff below them and that the Class II staff are themselves subject to supervision from above by the officers of the Bank.”

13.4. The Union has pleaded that there is no proper arrangement of division of labour and hours of work in respect of the Class IV employees of the Bank and that “they have to work according to the sweet will of the supervisor under whom they work”, that “the Bank takes ‘Begar’ from almost all Class IV employees” that “the job of Mazdoor, peon, Jamadar Grade I, Grade II and Grade III duffry, pressman, compositor, inkman, viceman, carpenter, fitter, gestetner operator, head mazdoor, khitmatgar, bhisti and durwan attached to cash side starts exactly from the moment the staff in other categories join their duty: as per office hours and ends on the close of the office hours, but normally one hour’s ‘Begar’ is taken from them on all other week days and half an hour ‘Begar’ on Saturdays”, that “the duties of sweepers, farashes, malis and durwans attached to general side though being quite independent from the other categories in Class IV staff, the Bank takes usually 12 hours ‘Begar’ from them”, that “no duty hours have been prescribed for the drivers and they have to remain alert on their duty in uniform and away from their residence to obey the commands of the officers which may be issued at any time”, that “durwans performing night duty under Delhi and Lucknow offices of the Bank are not paid night allowance when durwans at other offices of the Bank performing night duty are paid such allowance” and that “in the case of a Jamadar attached to the Public Debt Office at Lucknow, he has to perform continuous duty from morning till night without any duty hours fixed”. Under this head the Union has also complained about the nature of the work taken from peons at Bombay and Nagpur like dusting and cleaning and has claimed that “a list of duties of each category in Class IV staff should be prepared and maintained by the Bank as the same relates to hours of work of Class IV employees”. It has demanded that “the working hours of Class IV employees should be for 6½ hours on other week days and for 3½ hours on Saturdays as their wrongful detention beyond the above hours cannot be

justified for the fault of other staff". The Union has stated that "they should be paid overtime allowance for the extra hours by clock if they are detained beyond the abovesaid hours of their duties—that is 6½ hours on week days and 3½ hours on Saturdays".

13.5. The Reserve Bank in reply has submitted that inasmuch as its position as the Central Banking institution involves dealing with commercial banks, if longer hours are observed by the commercial banks, the Reserve Bank should be free to adopt those hours. As regards the supervisory staff the Reserve Bank has relied upon the plea of jurisdiction in respect of the staff employed in a supervisory capacity drawing wages exceeding Rs. 500 per month and has submitted that the Tribunal should not give any directions concerning them. Without prejudice to the aforesaid plea it has submitted that it would be wrong in principle to give the attraction of overtime wages to supervisory staff who are expected to ensure that the clerical staff's overtime working should be as limited as possible. It has stated that consistent with this principle, on certain extraordinary occasions, certain overtime compensation is paid to supervisory staff. The Reserve Bank has pleaded that it is equally against any excessive overtime working, but the exigencies of work often render overtime working unavoidable, that the rate of overtime allowance demanded by the Association was excessive, particularly when analogy was drawn from the local Shops and Establishments Acts which provide for overtime payment only after certain limitations of time which in all cases were very much in excess of the Bank's present working hours and that the demand that overtime allowance should be paid to all employees was not reasonable. So far as the cushioning period is concerned, it has submitted that there is both principle and reasoning for providing for a cushioning period which was not to be paid for. The Bank has stated that it has given relief to this extent that "if after the cushioning period overtime is worked, the cushioning period is counted", that the limitation on total overtime suggested would not be feasible or fair or reasonable in the case of the Reserve Bank, particularly in view of the special functions entrusted to it as the Central Banking institution of the country and that the unreasonableness of the demand was demonstrated when the Association demanded that the limitation should not apply to the employees in the Issue Department and Cash Department who work on quota basis. The Bank has submitted that the demands should be rejected.

13.6. In reply to the claim made on behalf of the Union, the Reserve Bank has denied that there was no proper arrangement of division of labour or hours of work in respect of Class IV employees and that the employees in each category of Class IV are expected to perform all duties connected with or incidental to the work assigned to such categories. It has denied that it takes 'Begar' from Class IV employees or that Class IV employees have to work according to the sweet will of the supervisors that except for durwans and maintenance staff who were on 8 hours duty, all other Class IV employees were expected to report half an hour before Class II and Class III employees had to report for their work and to leave half an hour later on week days and that on Saturdays they had to report 15 minutes earlier and leave 15 minutes later. It has denied that as regards sweepers, farashes and malis the Bank took any 'Begar' from them. It has stated that drivers were also on 8 hours duty, that it was incorrect to state that night allowance was not paid to the durwans at Delhi, and that at Lucknow there are two durwans who have specifically been engaged to do night duty only and hence no question of paying them an allowance arises. It has stated that in the case of other durwans their shifts are rotated. It has further stated that so far as Class IV employees are concerned, one of the following three methods is followed—"(a) the duties are staggered or compensatory offs given, or (b) overtime is paid for work beyond normal hours, or (c) a suitable special pay or allowance is paid". It has pleaded that the Reserve Bank Class IV staff was neither overworked nor left uncompensated for any extra effort, that on the contrary, service conditions and emoluments of the Reserve Bank Class IV staff were extremely generous and that the demand for reduction of working hours of Class IV staff was totally unwarranted, unjustified and unreasonable. The Reserve Bank has submitted that the demands made should be rejected.

13.7. The demand made by the Union that a list of duties of each category in Class IV staff should be prepared and maintained by the Bank does not fall for determination under the head "hours of work and overtime" and has been wrongly made under this head. I give no directions in connection with the same under this head.

13.8. In my award in Reference No. 1 of 1960, I did not alter the hours of work prescribed by the Sastry Tribunal. I have there provided as under:—

- (1) For workmen other than members of the subordinate staff the actual hours of work exclusive of the recess period on weekdays (excluding Saturdays) shall not exceed 6½ hours a day. The actual hours of work on Saturdays shall not exceed 4 hours.
- (2) For the members of the subordinate staff, the working hours specified in clause (1) stand modified to the extent that they will be required to attend duty half an hour earlier and stay half an hour later than the normal working hours fixed for the other workmen.
- (3) There shall be a recess for lunch which shall not be less than half an hour and not more than one hour for week days (excluding Saturdays), subject, however, to the requirements of any statutory provisions like the Shops and Commercial Establishments Acts. Primarily it will be for the workmen to decide the actual length of recess within the limit fixed as aforesaid and the majority decision of the workmen in any branch or establishment shall be adopted in case of difference of opinion with the management.
- (4) The banks will be at liberty to fix at their discretion the actual timing for work provided the maximum number of hours of work fixed by this award are being observed.
- (5) Part-time employees as well as members of the watch and ward staff, bank employees engaged in domestic service, gardeners, sweepers, godown-keepers engaged solely for that work other than those required to remain in attendance at the bank during office hours, are excluded from the scope of the aforesaid directions. The provisions contained in clause 9 below are equally not to apply to them.
- (6) The hours of work for the persons excluded as above will be governed by the provisions, if any, of any enactments in connection with hours of work applicable to the bank concerned.
- (7) As regards a chowkidar employed to guard the bank's premises, when he is one of the several chowkidars and is kept on duty only for a period of time (generally about 8 hours), the hours of work however should not exceed a shift of 8 hours in 24 hours.

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13.9. The Association has no dispute with the Bank in connection with the hours of work. The demand made by the Union that the working hours of Class IV employees should be 6½ hours on week days excluding Saturdays and 3½ hours on Saturdays, is not reasonable. On behalf of the Union, it was contended at the hearing that there should be no split duty and that if split duty is not abolished, then split duty for seven hours should be treated as continuous duty for eight hours. No case is made out either for abolishing split duty or for regarding split duty of seven hours in the Bank as being equivalent to continuous duty of eight hours. In my view, no case is made out for making any change in the existing hours of work prescribed by the Bank. The same are fair and reasonable and all the demands made by the Union in connection with hours of work are rejected.

13.10. As regards the demands for payment of overtime to Class II staff, I have excluded from the operation of this award all members of Class II staff, except the Personal Assistant to the Governor and Personal Assistants. As regards the Personal Assistant to the Governor and the Personal Assistants no case is made out for giving any directions to the Bank regarding overtime payable to them and I give no directions in connection therewith.

13.11. As regards the question of quantum of overtime allowance for Class III staff, the Association has demanded that overtime allowance should be paid at the rate of double the pay and allowances. At present there is a ceiling imposed by the Bank on payment of overtime. It is subject to a maximum payment of Rs. 20 per diem and Rs. 200 in any one calendar month. The Association has demanded that the ceiling on the quantum should be removed. In my view, there is no reasonable justification for imposing such a ceiling. There is no reason why a person who has been required to do work which would otherwise entitle him to receive payment beyond the amount of the ceiling imposed, should be deprived of the amount in excess of the ceiling. There is no reason why any part of the work done by him should remain unremunerated.

I direct that there should be no ceiling in connection with the amount payable on account of overtime work done by members of Class III staff on any day or in any one calendar month.

13.12. The Association has demanded that there should be a ceiling on the hours of overtime work which an employee could be compelled to do. It has pleaded that no employee should be compelled to work overtime for more than two hours on any given day and 60 hours in one calendar year. No such demand has been made by the Union. Even so far as the Association is concerned, the demand is qualified by stating that the ceiling in connection with overtime work should not apply to employees doing work on quota basis in the Issue Department and Cash Department of the Bank. No evidence has been led on behalf of the Association in support of this demand showing the necessity for the imposition of a ceiling on the period of overtime work required to be done by Class III staff. The Association has not succeeded in showing that the provision relating to overtime without any ceiling as to time has been abused by the Reserve Bank or that work has been so taken as to be detrimental to the health or the well-being of the workmen. Having carefully considered all aspects of the matter, in my view, there is no necessity for imposing a ceiling on the amount of overtime work in the Reserve Bank where no ceiling exists at present and the position is not abused.

13.13. The Association has demanded that there should be no cushioning period. The necessity of a cushioning period has been felt by tribunals in the banking industry. Under my award in Reference No. 1 of 1960, I have provided for a cushioning period of half an hour and no payment is required to be made for work done during the cushioning period. So far as the Reserve Bank is concerned if overtime extends beyond the cushioning period and the staff actually work during the cushioning period overtime allowance is paid for the cushioning period also. I am unable to accede to the demand made by the Association that there should be no cushioning period and the claim made in that connection is rejected. No question of cushioning period arises in connection with members of the subordinate staff as no such cushioning period is provided for them.

13.14. As regards payment to be made for overtime work I have in my award in Reference No. 1 of 1960 provided as under:—

"Payment in respect of overtime work done shall be made at the rate of $1\frac{1}{2}$ times the emoluments made up of basic pay, special allowance, if any, officiating allowance, if any, and dearness allowance, for every quarter of an hour of overtime work done for which payment has to be made. Payment in respect of overtime for work done for every quarter hour beyond the first four quarter hours which have to be paid for, shall however be at the aforesaid rate of $1\frac{1}{2}$ times the emoluments with an additional 20 per cent, i.e., it shall be at the rate of 1.70 per cent of such emoluments. In those cases where payment for overtime is required to be made under any enactment at a higher rate, it shall be paid at such higher rate for the period for which it is obligatory to pay the same at such higher rate."

The Reserve Bank is paying overtime at the rate of one and a half times the daily pay (plus local pay, where admissible) and dearness allowance drawn by an employee for the full period of overtime work including the cushioning period, whilst other commercial banks are not required to pay any overtime for the cushioning period and are required to pay overtime at the rate of $1\frac{1}{2}$ times the emoluments for the first four quarter hours and at a little higher rate for the subsequent period. In my view, the system at present prevailing in the Reserve Bank, compared to the system provided under my award in Reference No. 1 of 1960, is not disadvantageous to the employees of the Reserve Bank. I direct that overtime allowance should be paid to Class III and Class IV staff at the rate of $1\frac{1}{2}$ times the hourly pay calculated in the manner hereinafter mentioned, the expression 'pay' to include the basic pay, special pay if any, officiating pay, if any, and dearness allowance. It was contended on behalf of the Association that there are certain employees who are getting a machine allowance of Rs. 15, and that this allowance does not count for the purpose of payment of overtime. I have under this award provided that workmen who are entitled to get a machine allowance of Rs. 15 will instead be entitled to get a special pay of Rs. 15. In view thereof, the special pay of Rs. 15 will count for the purpose of payment of overtime.

13.15. At present the Reserve Bank considers every 6½ hours of work as constituting a day for the purpose of payment of overtime allowance. Both the Association and the Union have stated before me that they were ready to adopt the system of considering every month as consisting of 150 working hours for the purpose of calculation of overtime for all classes of staff. On behalf of the Bank, it was stated that the Bank was prepared to accept the figure of 150 hours if the present system of payment of overtime allowance was substantially maintained. The Bank, however, has pleaded that there should be no payment for the cushioning period. In my award in Reference No. 1 of 1960, I have provided that for the purpose of calculating the amount payable for overtime work, every month shall be deemed to consist of 150 working hours so that the emoluments payable per hour will be deemed to be 1/150th of the monthly emoluments for all workmen. I direct that for the purpose of calculating the amount payable to Class III and Class IV staff for overtime work every month shall be deemed to consist of 150 working hours so that the emoluments payable per hour will be deemed to be 1/150th of the monthly "pay", the expression pay to include basic pay, special pay, if any, officiating pay, if any, and dearness allowance.

13.16. It is provided at present that overtime work will be reckoned in blocks of one half hour, any period not constituting a complete half hour on a day being ignored. In my view, it is not fair to workmen that work done for 29 minutes should remain unrequited. It would be equally unfair to the Bank that the work of a few minutes should be paid for as if the work had been done for half hour. Having taken everything into consideration, I direct that as regards Class III staff no overtime allowance should be paid for the cushioning period for first half hour beyond the normal working hours if work does not extend beyond the cushioning period, but if the work extends beyond the cushioning period and the workman actually works during the cushioning period, overtime allowance should be paid for the cushioning period. For the purpose of payment of further amount of overtime for work done beyond the cushioning period, overtime should be reckoned in blocks of one half hour, work done for less than half an hour but done for a period of 15 minutes or more being deemed to be work done for one full half hour, the work done for less than 15 minutes being ignored. For the purpose of calculating overtime for Class IV staff I also direct that overtime should be reckoned in blocks of one half hour, work done for less than half an hour but done for a period of 15 minutes or more being deemed to be work done for one full half hour, the work done for less than 15 minutes being ignored.

13.17. In the course of the hearing before me, there was some discussion in connection with the question whether Class III staff are entitled to overtime in connection with 'normal' work done by them. It was pointed out on behalf of the Reserve Bank that it was only Class II staff who were not paid overtime allowance for the clearance of normal work. In order that there may not be any dispute in future, I direct that if overtime work is required to be done by Class III and Class IV staff for clearing normal work, they would be entitled to claim overtime.

13.18. At present no overtime is paid if the late sitting is on account of mistakes committed by employees. In my award in Reference No. 1 of 1960, I have provided as under:—

"A workman who is guilty of any mistake which has resulted in his doing overtime work will not be entitled to receive payment for such overtime work. Before, however, a workman is held not to be so entitled, he must be given an opportunity at a suitable time to explain his lapse and to show cause why he should not be considered to be disentitled to receive such payment."

I give a similar direction in this award in connection with Class III and Class IV staff.

13.19. Where overtime work is done on the quota system the same will continue as at present and the payment therefor will be made on the basis prevailing at present.

13.20. Except to the extent modified as aforesaid the present system in connection with overtime will continue.

CHAPTER XIV

*Item No. 18 in Schedule I**Item No. 19 in Schedule II*

PROCEDURE FOR THE TERMINATION OF EMPLOYMENT AND TAKING OTHER DISCIPLINARY ACTION, INCLUDING THE CLAIM OF THE RESERVE BANK EMPLOYEES ASSOCIATIONS TO DEFEND INDIVIDUAL EMPLOYEES IN DISCIPLINARY PROCEEDINGS,

AND

PROCEDURE FOR THE TERMINATION OF EMPLOYMENT AND TAKING OTHER DISCIPLINARY ACTION, INCLUDING THE CLAIM OF THE RESERVE BANK EMPLOYEES UNIONS TO DEFEND INDIVIDUAL EMPLOYEES IN DISCIPLINARY PROCEEDINGS.

14.1. The Association had demanded that clause 25(2) of the Reserve Bank of India (Staff) Regulations, 1948 be completely deleted. Clause 25(2) of the Staff Regulations runs as under:—

"25(2) The Bank may determine the service of any employee after the expiry of the period of his probation on giving him—

- (a) three months' notice or pay in lieu thereof, if he is an employee in Class I, and
- (b) one month's notice or pay in lieu thereof if he is an employee in any other class. The power to determine the service of an employee shall be exercised by the Governor with the prior approval of the Central Board in the case of an officer and by the Manager with the prior approval of the Governor in the case of other employees."

It is pleaded that the power under the aforesaid regulation makes the right of confirmation and security to service illusory and non-existent and the difference between a temporary employee and a permanent employee reduces itself to nothing more than a shorter or longer period of notice of termination, that under the existing rule the employer is not even required to give reasons for the termination of service and that this militates against principles of natural justice and equity. In the event of the Tribunal being unable to grant the aforesaid relief, the Association has submitted that the right of termination shall not be exercised by the Bank unless (i) a notice in writing at the rate of 21 days for every year of service put in by a confirmed employee, including temporary service or pay and allowances in lieu thereof, is given to him subject to a minimum of 6 months' notice or pay and allowances in lieu thereof, (ii) in case of all other employees a minimum of 2 months' notice or pay and allowances in lieu thereof shall be given by the Bank, and (iii) in all cases of termination of service the notice shall state the reasons in detail.

14.2. In connection with disciplinary action and procedure the Association has pleaded that misconduct may be categorised as (1) minor misconduct, (2) misconduct, and (3) gross misconduct, taking into consideration the gravity of the misconduct, that except in cases of illegal gratification, fraud, embezzlement of funds and criminal offences resulting in conviction by imprisonment, no employee should be dismissed from service and that in respect of other proved misconducts an appropriate maximum punishment should be prescribed. The Association has stated that at the time of the hearing it would make "detailed submission" in this behalf. It has further pleaded that no employee should be dismissed, discharged or reduced in rank or removed from service or otherwise punished by way of warning, etc., unless he had been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him. The Association has stated that though the Association is recognised by the Bank from its inception, the Association's office bearers are not permitted to defend individual employees in disciplinary proceedings. The Association has pleaded that the proceedings before an enquiry officer have become a technical matter and require expert knowledge and practice and that "the importance of the proceedings has become almost paramount in view of some of the decisions of the Supreme Court". The Association has demanded that the office bearers of the Association should be permitted to defend individual employees in disciplinary proceedings.

14.3. The Union has made a similar demand for deletion of Regulation 25(2) (b). It has submitted that an employee should properly be charge-sheeted before any action is taken against him and all the facts on which the charge is based should be made available to him before he is expected to submit a reply to the charges framed against him, that a regular enquiry consistent with the fundamental principles of natural justice should be instituted and the employee should be given all the facilities to defend himself in such an enquiry and that he should be given the right to be represented by the Union in the enquiry and the existing regulations preventing the Union to take up individual cases should be deleted from the Regulations as such Regulations, it is alleged, conflict with the industrial laws of the country.

14.4. The Reserve Bank in reply has pleaded that the demand for deletion of the Bank's right to terminate the service of an employee was most unreasonable and unjustified, the more so as the Association had not asked for deletion of the employee's right to resign on giving notice, that the alternative suggested by the Association was absurd, that the principle with regard to notice and notice pay is based on the status of the employee and what would be considered reasonable notice according to status and that no case existed or was made out for deleting Regulation 25(2) or for altering it in the manner demanded. As regards disciplinary action and procedure, the Reserve Bank has stated that the Association has not adduced any cogent reasons or made out any case in respect of its demand. It has submitted that the Staff Regulations contained adequate and necessary provisions in the above regard and that the present practice should continue. As regards the claim of the Reserve Bank Employees Association to defend individual employees in disciplinary proceedings, the Reserve Bank has stated that the subject matter of this term of reference did not amount to an industrial dispute and was not within the jurisdiction of the Tribunal. Without prejudice to the above submission, it has submitted that such inquiries were domestic inquiries, that the question of representation should be left to the discretion of the Reserve Bank and that where it appeared that the acts of misconduct with which an employee was charged were so serious that if proved it was likely that the extreme penalty of dismissal might be imposed, the Bank permitted the Association's representatives to defend the employee.

14.5. Item No. 18 in Schedule I and item No. 19 in Schedule II to the order of reference relate to disputes concerning the "procedure for the termination of employment and taking other disciplinary action". On a plain reading of these words it is clear that the dispute must concern 'procedure'. These words do not embrace any dispute relating to the very right of the Bank to terminate employment or any dispute concerning the nature or extent of the punishment to be inflicted for different types of misconduct. The termination of employment envisaged by these words is termination of employment by way of disciplinary action. These words do not refer to any procedure for the termination of employment otherwise than by way of disciplinary action. The words "taking other disciplinary action" clearly indicate that the termination of employment that is referred to earlier is the termination of employment by way of disciplinary action.

14.6. A number of demands have been made which fall outside the ambit of these items. The demand made for the deletion of Regulation No. 25(2) of the Reserve Bank of India (Staff) Regulations, 1948, does not fall within the ambit of the terms of reference and no directions are given in connection therewith. The demands made in connection with the period of notice or pay and allowances in lieu of notice and the giving of reasons for the termination in the notice when the termination of employment takes place otherwise than by way of disciplinary action are not covered by any of the terms of reference and no directions are given in connection therewith. The demands made for categorisation of misconduct, that except in cases of illegal gratification, fraud, embezzlement of funds and criminal offences resulting in conviction by imprisonment no employee should be dismissed from service and that in respect of other proved misconducts an appropriate maximum punishment should be prescribed fall outside the terms of reference and no directions are given in connection therewith.

14.7. Regulation 47 of the Reserve Bank of India (Staff) Regulations, 1948 which deals with penalties provides *inter alia* as under:—

"47(1) Without prejudice to the provisions of other Regulations, an employee who commits a breach of the Regulations of the Bank, or

who displays negligence, inefficiency or indolence, or who knowingly does anything detrimental to the interests of the Bank or in conflict with its instructions, or who commits a breach of discipline or is guilty of any other act of misconduct, shall be liable to the following penalties:—

- (a) reprimand;
 - (b) delay or stoppage of increment or promotion;
 - (c) degradation to a lower post or grade or to a lower stage in his incremental scale;
 - (d) recovery from pay of the whole or part of any pecuniary loss caused to the Bank by the employee;
 - (e) dismissal.
- (2) No employee shall be subjected to the penalties (b), (c), (d) or (e) of sub-regulation (1) except by an order in writing signed by the Governor in the case of an officer, or the Manager in the case of other employees, and no such order shall be passed without the charge or charges being formulated in writing and given to the said employee so that he shall have reasonable opportunity to answer them in writing or in person, as he prefers, and in the latter case his defence shall be taken down in writing and read to him:

provided that the requirements of this sub-regulation may be waived if the facts on the basis of which action is to be taken have been established in a court of law or Court Martial or where the employee has absconded or where it is for any other reason impracticable to communicate with him or where there is difficulty in observing them and the requirements can be waived without injustice to the employee. In every case where all or any of the requirements of this sub-regulation are waived, the reasons for so doing shall be recorded in writing.

- (3) The inquiry under this regulation and the procedure with the exception of the final order, may be delegated in case the employee against whom proceedings are taken is an officer to the Manager and in the cases of other employees to any officer in Class I."

Regulation 48 gives an employee a right of appeal against any order passed by a superior authority which—injuriously affects his interests. The Association has demanded that no employee should be dismissed, discharged or reduced in rank or removed from service or otherwise punished by way of warning, etc. unless he has been given a reasonable opportunity of showing cause against the action proposed to be taken in regard to him. A demand has been made by the Union that a regular inquiry consistent with the fundamental principles of natural justice should be instituted and the employee should be given all the facilities to defend himself before any action is taken against him. The provisions in Regulation 47, in my view, do not require any alteration as regards the procedure for the imposition of penalties (b), (c), (d) and (e) referred to in the said Regulation. As regards penalty (a), namely, reprimand it appears that the procedure laid down in sub-regulation (2) is not applicable thereto. In my view, in disciplinary proceedings the penalty of reprimand should not be inflicted without observing the rules of natural justice and I direct that the provisions contained in sub-clauses (2) and (3) of Regulation 47 should equally apply where the punishment of reprimand is to be inflicted by way of penalty in disciplinary proceedings.

14.8. In connection with the item "claim of the Reserve Bank Employees Associations to defend individual employees in disciplinary proceedings" and the item "claim of the Reserve Bank Employees Unions to defend individual employees in disciplinary proceedings" the Bank has contended that "the subject matter of this term of reference does not amount to an industrial dispute and is not within the jurisdiction of the Tribunal". In my view, apart from the right of the Association or the Union to represent a workman in disciplinary proceedings, workmen may contend that they have a right to be properly represented when disciplinary proceedings are taken against them and an industrial dispute may arise when that claim which relates to the procedure for taking disciplinary action is denied. The Sastry Tribunal had in terms stated in connection with disciplinary proceedings that "he (workman) shall also be permitted to be defended by a representative of a Registered Union of bank employees". I have

under my award in Reference No. 1 of 1960 also permitted the same. The Reserve Bank has stated that it does permit a workman to be represented by a representative of the Association where it appears that the acts of misconduct with which the workman is charged are so serious that if proved it was likely that the extreme penalty of dismissal might be imposed. In my view, there is no reason why similar facility should not be given in cases where a lesser penalty is liable to be imposed. I accordingly direct that a workman against whom disciplinary proceedings are instituted should be permitted to be defended by a representative of a registered union of the Reserve Bank employees. Save as aforesaid no other directions are given.

CHAPTER XV

Item No. 19 in Schedule I

Item No. 20 in Schedule II

THE CLAIM OF THE RESERVE BANK EMPLOYEES' ASSOCIATIONS TO REPRESENT INDIVIDUAL GRIEVANCES OF WORKMEN

AND

THE CLAIM OF THE RESERVE BANK EMPLOYEES' UNIONS TO REPRESENT INDIVIDUAL GRIEVANCES OF WORKMEN

15.1. The Association has pleaded that it is recognised by the Bank from its inception, but it is not allowed to represent individual grievances of workmen and the employees are not permitted to accept or hold offices even in federations of trade unions to which the units of the Association are affiliated. It has submitted that the position taken by the Bank on these counts was untenable and unfair. The Association has demanded that it should be allowed to represent individual grievances of workmen and that the employees should be permitted to accept or hold offices in federations of trade unions to which the units of the Association are affiliated.

15.2. The Union has pleaded that the existing regulations preventing the Union to take up individual cases should be deleted from the Regulations. The Union has submitted that the Bank should be prevented from using Regulation 37 against the members of the Union in terms of which the Bank had issued a circular to the effect that any employee who accepted an office in any other trade union organisation should first take the permission of the Bank. Regulation 37 referred to above runs as under:—

"No employee shall accept, solicit, or seek any outside employment or office, whether stipendiary or honorary, without the previous sanction of the competent authority."

The Union has stated that various units of the Union are affiliated to the State Unit of the All India Bank Employees Association and that the office bearers of the Union hold responsible positions in such State Units. It has pleaded that individual grievances should be settled at the lowest level and that if an individual wanted the Union to represent his case this should be allowed. It has further pleaded that the Union's representation of individual cases would in fact facilitate settlement of disputes.

15.3. The Reserve Bank in reply has stated that the subject matter of this term of reference did not amount to an industrial dispute and was not within the jurisdiction of the Tribunal. It has submitted that the demand should be rejected. Without prejudice to the aforesaid contention it has pleaded that it was not accurate to state that employees were not permitted to hold offices in federations of trade unions to which the units of the Association were affiliated, that they could do so with the prior permission of the Bank, and that the guiding factor of granting the permission was to ensure that the holding of office in such outside trade unions would not in any way adversely and prejudicially affect the responsibilities and duties of the persons concerned as employees of the Bank. The Bank has denied the correctness of the statements made by the Union in support of its claim. It has submitted that the demands made by the Association and the Union should be rejected.

15.4. An industrial dispute has been defined by section 2(k) of the Industrial Disputes Act, 1947 as any dispute or difference between employers and employees or between employer and workmen or between workmen and workmen which is connected with the employment or non-employment or the terms of employment

or with the conditions of labour of any person. A reference can be made to a National Tribunal under the provisions of section 10(1A) for the adjudication of such dispute or any matter appearing to be connected with or relevant to such dispute. In my view, a claim made by the Association or the Union on its own behalf as a collective body pertaining to its own rights and privileges, which is denied by the Bank, cannot result in an industrial dispute. Even a demand made by workmen as regards the claim of any Association or Union as a collective body cannot give rise to an industrial dispute within the meaning of the definition as it stands at present. The Association and the Union may have as its members and office bearers persons who are not workmen. It is of the essence of an industrial dispute that it must be a dispute or difference between an employer and an employer or between an employer and workmen or between workmen and workmen. The Association or the Union cannot be regarded as coming within the meaning of the expression "employer" or "workmen". The definition requires that the dispute must be "connected with the employment or non-employment or the terms of employment or with the conditions of labour of any person." The expression "employment" or "non-employment" relates to the employment or the non-employment by the employer. The definition would not cover a dispute relating to the rights of a body of persons like the Association or the Union which is not in the employment of the Bank. In my view, I have no jurisdiction to deal with the matter referred and I give no directions in connection with the same.

CHAPTER XVI

Item No. 5 in Schedule I

PAYMENT OF TAX ON PROFESSIONS BY THE BANK ON BEHALF OF ITS EMPLOYEES

16.1. The Association has stated that local authorities like Municipalities, Corporations, etc., have thought it fit to levy at some centres a profession tax and that the employees at such places are required to pay tax out of their earnings. It is pleaded that the profession tax at some centres was quite a sizable amount varying from Rs. 9 to Rs. 40 per half-year depending upon the salary of the employee and that the hardship of payment was more acutely felt when the employees were transferred from a centre where the tax was not in vogue to a centre where it is levied. It has demanded that the Bank should bear the burden of this tax wherever it is leviable. The Reserve Bank in reply has stated that the tax on profession, so far as the Bank was aware, is levied in the States of Mysore, Madras, Kerala, Andhra, Madhya Pradesh and Assam, that the tax is not restricted to the Reserve Bank employees, that the tax is levied either by the States or the local authorities and that the employees serving in a locality where such tax is payable are required to pay the tax in common with other citizens in the locality to whom the tax is applicable. It has pleaded that it would be wrong to provide that a person employed in the Bank should be compensated and relieved of his civic duty, when other citizens of the locality have to bear the tax. It has pleaded that the demand was most unreasonable and should be rejected.

16.2. There is no case made out for directing the Bank to bear the burden of the tax intended to be levied on the employees of the Bank as well as other persons to whom the tax is applicable. The claim that has been made is rejected.

CHAPTER XVII

Item No. 8 in Schedule I

NEED FOR MAINTENANCE OF COMBINED SENIORITY LIST AT EACH CENTRE

17.1. The Association has stated that "the issue of maintenance of seniority lists and combined seniority list is connected with the question of the promotion policy of the Bank". The Association has pleaded that it has a grievance against the Bank in respect of the existing promotion policy of the Bank and in connection with combined seniority list. Regulations 28 and 29 of the Reserve Bank of India (Staff) Regulations, 1948 which deal with seniority and promotion provide as under:—

"28. An employee confirmed in the Bank's service shall ordinarily rank for seniority in his grade according to his date of confirmation in the grade and an employee on probation according to the length of his probationary service."

- "29. All appointments and promotions shall be made at the discretion of the Bank and notwithstanding his seniority in a grade no employee shall have a right to be appointed or promoted to any particular post or grade."

"The Association has set out a number of grievances which it has in connection with the promotion policy of the Bank, and has demanded that promotion should be strictly according to seniority. It has pleaded that the Reserve Bank is relegating the criterion of seniority to the background and making promotions on the basis of alleged merit, that merit was judged on an insufficient and faulty system of reporting, that the existing reporting system gave little or no scope for unbiased judgment, that memoranda to staff were issued with vague and, in some cases, irrelevant charges, that a restrictive qualification was imposed since 1953 for promotion to supervising grade, namely, the holding of a banking diploma in all departments and the passing of a special examination for promotion to Assistant's grade in the Economic and Statistics Departments and that the Bank was recruiting and posting probationary Assistants in regular vacancies of superintendents and was giving preferential treatment to Staff Assistants in making promotions to officers' cadre. It has pleaded that injudicious application of the criteria of merit became an instrument in the hands of certain individual officers for practising favouritism on a large scale and that the nature of interviews held by Managers and Chief Accountant to judge the efficiency of the employees had been "invariably found to have suffered from bias". The Association has demanded that "all promotions should be made strictly according to combined seniority irrespective of the cadre or department and that such wide discretionary powers in the matter of promotions should not be vested in the administration".

17.2. The Reserve Bank, in reply, has submitted that promotion was a management function, that Industrial Tribunals had dealt with the demands for promotions by merely stating that promotion should be on the basis of seniority-cum-merit and had left it to the management who were the best judges of the merits of the employees to deal with promotion and that seniority alone was not the sole criterion. It has submitted that the matter of promotion or promotion policy had not been referred to this Tribunal, that it was unwarranted for the Association to link up the question of promotion and promotion policy to the demand relating to "need for maintenance of combined seniority list at each centre", that it did not propose to deal with the Association's statements and allegations in respect of the Reserve Bank's promotion policy except to say that all the allegations and insinuations made against the Bank and any of its officers were denied and that the Association's conception of the promotion policy was not based on facts. The Reserve Bank has submitted that it was the best judge, bearing in mind the obligations and duties cast upon it, to prescribe qualifications, both for recruitment and promotion.

17.3. Neither the recruitment policy nor the promotion policy of the Bank constitutes the subject matter of this reference, and whatever may be the merits or otherwise of the questions sought to be agitated before me as regards the recruitment policy or the promotion policy of the Bank, I have no jurisdiction to deal with the same and I give no directions to the Bank in connection therewith.

17.4. The Association has filed an exhibit purporting to show how seniority lists are being maintained at present. According to that exhibit various departments of the Bank at Bombay have been grouped into IV groups for the purpose of maintenance of seniority lists, group I consisting of the Economic Department and the Statistics Department, group II consisting of the Department of Banking Operations, the Department of Banking Development and the Industrial Finance Department, group III consisting of the Chief Accountant's Department, the Exchange Control Department and the Banking and Issue Departments and group IV consisting of the Agricultural Credit Department. It shows that a separate seniority list is being maintained for the Cash Department. It further shows that a combined seniority list is being maintained for typists and stenographers for each group. It shows that at other centres the Deposit Accounts Department, the Public Accounts Department, the Securities Department, the Public Debt Office, the Exchange Control Department and the Issue Department, are grouped together for the purpose of maintaining a seniority list and that there is a separate seniority list for the Department of Banking Operations, a separate seniority list for the Agricultural Credit Department, a separate seniority list for the Cash Department and a separate seniority list for typists and stenographers. Only at Kanpur the Department of Banking Operations is linked with the Deposit Accounts Department, the Public Accounts Department, the Exchange Control

Department, etc. for maintaining a seniority list. The Association has stated that in accordance with the promotion policy of the Bank, promotions are given to fill up the posts which arise in the departments grouped as aforesaid. It has filed exhibits showing the prospects of promotions in various departments at various centres. It has also filed exhibits showing the number of employees working in grade II, working in grade I, working as Assistants and working as Superintendents at various centres where the Reserve Bank has its offices in order to show that the chances of promotion are uneven at various centres. It has pleaded that maintenance of separate seniority lists as aforesaid has given rise to "tremendous dissatisfaction and demoralisation among the employees" and that it has assumed such seriousness that it has become absolutely necessary to solve the problem satisfactorily, not only in the interests of the employees themselves but also for the proper and efficient functioning of the institution itself. It has pleaded that the maintenance of separate seniority lists as at present has an inherent weakness in the sense that there is no equal opportunity to employees for bettering their chances in life, that the whole future of the employees under the existing system, normally depends upon the chances of his getting or not getting posted in a particular department where the chances of promotion are comparatively bright and that persons with merit are condemned for their life-time to the position in the lowest grade for the simple reason that they have entered particular departments where chances of promotion were comparatively less. The Association has stated that the departments of the Bank like the Agricultural Credit Department, which expand rapidly offer opportunities for quicker promotion. The Association has submitted that such wide discretionary powers in the matter of seniority lists should not be vested in the administration. In the demand of the Association "that all promotions should be made strictly according to combined seniority irrespective of the cadre or department" is implicit the demand for the maintenance of a combined seniority list irrespective of cadre or department.

17.5. The Reserve Bank has submitted that there was, and there can be, no question of combining the seniority list of the Cash Department with any other department, as various grades in the Cash Department like Coin/Note Examiners, Tellers, Assistant Treasurers, etc., were peculiar to that department and that under the contract system of treasurership where it existed recruitment to the Cash Department was made on the recommendation of the Treasurer. It has pleaded that the segregation of departments had been adopted as the departments concerned were doing work of a specialised nature and it was administratively difficult to have one list for the entire staff at each centre. It has stated for example that there was a vast difference in the work done in the Issue Department and that performed in the Economic Department where the type of work done was such that only men with special qualifications and research aptitude would fit in, that with the expansion of the Reserve Bank's activities, four distinct and separate groups had emerged, namely, group I consisting of the Economic Department and the Department of Statistics, group II consisting of the Banking Operations Department, Department of Banking Development and the Industrial Finance Department, group III consisting of the Banking and Issue Department including the Chief Accountant's Office, and the Exchange Control Department, and group IV consisting of Agricultural Credit Department, that the work in each of these groups was becoming more and more of a specialised nature and inter-transferability was not only undesirable in the best interests of the Reserve Bank, but was also hard to achieve, that in view of the same, the Reserve Bank was now exercising greater care at the stage of initial recruitment itself and was selecting candidates for work in particular departments on the basis of qualifications and aptitude which would fit each into a particular department and that a candidate with Statistics as his subject was recruited generally to the Statistical Department and one having Economics as his subject was recruited generally for the Economic Department and one who was a graduate in Commerce, was recruited generally for the Department of Banking Operations. It has submitted that to introduce a combined seniority list for all departments would mean that the Reserve Bank would not be able to obtain the right type of employees for filling vacancies in a particular department and would result in the efficiency suffering considerably. It has submitted that maintenance of combined seniority list at all its centres would result in many administrative difficulties, some of which have been listed as follows:—

- "(a) At the Bank's branch offices, there are three separate seniority lists, namely, one for the Issue and Banking Departments and one each for the Department of Banking Operations and the Agricultural Credit Department. In Bombay where the Central office of the Reserve Bank is situated, there are 9 distinct and independent administrative units,

namely, the Banking and Issue Departments, Departments of Banking Operations, Department of Banking Development, Agricultural Credit Department, Industrial Finance Department, Exchange Control Department, Economic Department, Department of Statistics and the Central Office. Therefore, if combined seniority list is maintained, promotions, say from Clerk Grade II to Clerk Grade I or Clerk Grade I to Economic/Statistical/Banking/Central Office/Assistant would mean, if seniority is to be the only criterion, that the seniormost eligible employee according to the combined list would have to be transferred from the Department where he is working to the Department where the vacancy in the higher grade occurs. Irrespective of his aptitude, training or qualifications. Further as occasions for appointment or acting appointment in the higher grade arise very frequently due to employees proceeding on leave or additional posts being sanctioned, a large number of inter-departmental transfers will have to be put through and this will completely upset the working of all the departments involved.

- (b) Promotion from Clerk Grade I to Assistants/Superintendents Grade is now made on the basis of an interview, suitability of the employee for the post, etc. An employee on the general side may not have the requisite qualifications or aptitude for the post say in the Economic Department and on the other hand an employee from the Economic Department with special educational qualifications would be a complete misfit in the post in the Issue or Banking Department where the work is mostly of a routine nature and does not call for any special qualification".

The Reserve Bank has stated that each unit was of a sufficiently large size to ensure adequate chances of promotion within itself and over a period of time chances would be more or less balanced in all the various units.

17.6. It has been shown by the Association that the chances of promotion in the departments which are grouped together for the purpose of maintenance of seniority list are not even and that under the scheme which prevails at present, persons in some departments get the chance of promotion much earlier than in other departments. However, as stated by the Association itself in its statement of claim, "as a matter of fact, the issues, namely, of combined seniority list and promotion are so inter-linked and inter-twined that it is not possible to separate one from the other". Without considering the recruitment policy or the promotion policy of the Bank and without being in a position to give any directions in connections with the same, it is not possible to give any directions in connection with the maintenance of seniority lists and how seniority lists in various departments should be combined. The seniority lists have relevance in connection with promotions. Seniority is one of the important factors, though not the only factor, to be taken into account in connection with promotion. At the hearing certain submissions were made for combining different seniority lists existing at present without prejudice to the demand for one combined seniority list at each centre. No useful purpose will be served by such combinations unless the persons grouped together in a list were eligible for being appointed in promotional posts. The real grievance of the employees, as set out in the statement of claim, is in connection with the promotion policy of the Reserve Bank which does not constitute the subject matter of the reference. If seniority lists are to serve any useful purpose, they must be prepared having regard to the persons who are regarded as eligible for promotion to different posts in different departments. Having regard to the diversity of the functions of the Reserve Bank and the existence of numerous departments in the Bank, in my view it is not proper to direct that the Bank should maintain only one seniority list for all employees falling within a particular category in all departments of the Bank at one centre where such combined list is not being maintained.

17.7. A demand has been made that typists and comptists should rank for seniority as clerks and that they should have a common seniority list. Shri Dudhia, the learned advocate for the Reserve Bank Karmachari Sangh strongly urged that the existing system of separate seniority list for typists does injustice to typists. Qualifications for recruitment of clerks Grade II and typists are different, the scales of pay are different and the avenues of promotion are different. A typist is liable to be promoted to the grade of stenographer Grade II and thereafter to stenographer Grade I. These avenues are not open to clerks. In view of the present conditions of recruitment, the policy of promotion and the difference in the scales of pay, directions cannot be given for maintaining a combined seniority list for typists, comptists and clerks, as no useful purpose would be served thereby.

Having regard to the present recruitment policy and promotion policy directions cannot be given for maintaining a combined seniority list for coin/note examiners in the cash department and clerks in any other department or for stenographers and assistants as no useful purpose will be served thereby.

17.8. Having carefully considered all aspects of the matter and all the evidence placed before me, in view of the limited scope of the item under reference, I am unable to give any specific directions to the Bank in connection therewith. I can only generally observe that it is desirable that wherever it is possible, without detriment to the interests of the Bank and without affecting efficiency, to group employees in a particular category serving in different departments at one centre together for the purpose of being considered for promotion, a common seniority list of such employees should be maintained. The same would result in opening up equal avenues of promotion for a large number of employees and there would be lesser sense of frustration and greater peace of mind among the employees.

CHAPTER XVIII

Item No. 12 in Schedule I

RATES OF WORK IN THE VERIFICATION SECTIONS AND NOTE EXAMINATION SECTIONS, INCLUDING THE NOTE CANCELLATION SECTIONS

18.1. The Association has stated that it has no dispute in respect of the existing rates of work in the Verification Sections and Note Examination Sections including Note Cancellation Sections and that the Tribunal is not called upon to adjudicate in respect of any matter in connection with the same.

18.2. By its written statement the Reserve Bank has pleaded that the Tribunal was called upon to decide the question of rates of work in the aforesaid sections, that in this connection the Bank had consistently raised with its employees the question of rates and insisted upon increasing the present rates and that the Tribunal was, therefore, required to consider the question and give directions in this respect. The Reserve Bank craved leave to make its full submission and place before the Tribunal its scheme relating to rates at the time of the hearing. At the hearing, however, it was stated on behalf of the Bank that it had been found impossible to frame a scheme and that the Tribunal should give a direction that the Reserve Bank as an employer was free to give or fix such quota of work for an employee as would normally keep him busy for 6½ hours a day.

18.3. The Reserve Bank is not satisfied with the present turnover of work in the Verification Sections and the Note Examination Sections, including the Note Cancellation Sections. It has been unable to make any concrete suggestions in connection with the rates of work. In the absence of any material, I give no directions in connection with the same.

CHAPTER XIX

Item No. 16 in Schedule I

CASH DEPOSITS, GUARANTEE BONDS AND OTHER SECURITIES TO BE FURNISHED BY THE STAFF

19.1. The Association has stated that at present there are the following types of guarantees obtaining in the Bank:—

- (i) Co-operative Guarantee Fund Scheme;
- (ii) Guarantee Bonds; and
- (iii) Cash Deposits.

As regards co-operative guarantee fund scheme, the Association has stated that it has no dispute in connection therewith with the Bank. As regards guarantee bonds, it is stated that over and above the cover available to the Bank under the guarantee fund, Cash Department employees are required to execute a guarantee bond as prescribed. It is pleaded that with the inauguration of the Reserve Bank of India in 1935, the entire staff of the Cash Department of the Paper Currency Office was transferred to the Issue Department of the Bank, that in the Paper Currency Office, Cash Department was managed under the treasurer system under which the treasurer,

for his own safety, used to obtain from his nominees a guarantee bond in his favour and thus this system continued in the said department of the Bank. It is further stated that a section of the employees of the Cash Department from the former Imperial Bank of India was also taken over by the Bank in its Cash Department at various centres, that this staff continued to work in the Bank without executing any guarantee bonds, that in the Note Cancellation Sections at various centres, the treasurer system was not in operation and the employees in the Note Cancellation Sections continued to work without executing any guarantee bonds and that in the year 1957, the Bank all of a sudden unilaterally decided to obtain guarantee bonds from all employees working in the Note Cancellation Sections and also from a few employees of the old Imperial Bank of India working in the Cash Department. It has submitted that the Co-operative Guarantee Fund Scheme gave more than sufficient guarantee to the Bank to meet the contingencies envisaged and the system of obtaining guarantee bonds was superfluous and should be abolished completely.

19.2. The Reserve Bank in reply has pleaded that wherever the treasurer system operates in the Bank involving the treasurer entering into a contract with the Bank to indemnify the Bank for any act or omission or commission on the part of his staff, the treasurer requires and gets securities from the members of his staff. Similarly, temporary employees attached to the Cash Department are required to execute an agreement in favour of the treasurer and also a surety bond in the prescribed form. In places where the treasurer system has been abolished and in Note Cancellation Sections, the employees are required to execute an agreement in favour of the Bank indemnifying the Bank against any loss that may be occasioned by the employees, that the Bank could not accept the Association's demand for abolishing the system of guarantee bonds, that in the case of the Reserve Bank, its employees handle notes of large value and the amount of risk involved was considerable, that it was difficult to judge whether the Guarantee Fund under the Co-operative Guarantee Fund Scheme would be sufficient to cover the loss and that it was only appropriate that the Bank obtained guarantee bonds from the employees concerned.

19.3. As regards cash deposits, the Association has stated that the Bank at present obtains a cash security of Rs. 500 from new entrants in the Cash Department which amount is returned to the employee concerned on confirmation. The Association has stated that it felt that if at all the Bank considered it necessary, a fidelity insurance cover may be taken by the Bank in the name of the employee at the cost of the Bank so as to secure its own interests. It has demanded that the system of taking cash deposits should be abolished as it was extremely difficult for new entrants to furnish such relatively large amount by way of deposit and that there was no necessity of indemnifying the Bank.

19.4. In reply, the Reserve Bank has pleaded that the system was salutary and in the best interests of the Bank and should not be disturbed. It has pleaded that the suggestion that it was not necessary to indemnify the Bank in respect of new entrants was absurd and untenable, that the suggestion that fidelity insurance should be taken out at the cost of the Bank was most unreasonable, that the principle was that if a deposit or security in some form or other was incidental to the kind of employment it was not unjust or improper that the burden in connection with the furnishing of such deposit or security should fall upon the employee and that as a matter of fact, there was a case for increasing the amount of security in view of the value of the cash handled and that the Reserve Bank reserved its right to increase the quantum.

19.5. At the hearing it was strongly urged on behalf of the Association that the Tribunal should direct the Bank to abolish the "Contract Treasurer System" forthwith. The aforesaid system was attacked in Reference No. 1 of 1960 and all the grounds advanced in connection therewith in Reference No. 1 of 1960 were adopted in the present reference. In reply, the Reserve Bank, at the hearing, submitted that there was no demand made earlier for the abolition of the system, that no such point had been taken in the statement of claim and that there was no term of reference covering the same. Without prejudice to its other contentions, the Bank has stated that though the treasurer had to recommend a candidate for appointment in the Cash Department, the candidate was recruited by the Bank itself after his test was taken, that the person recruited was an employee of the Bank, that the treasurer himself was in the Bank's employment and that in the event of a treasurer ceasing to be in service, the new treasurer had to take the same old staff, that there have been no cases in the Reserve Bank where a treasurer had withdrawn the guarantee given by him and that except in the case of temporary employees, no cash

security was taken from employees but only guarantee bonds were taken. It has stated that the system was found useful by the Bank and that it promoted a sense of security. It was submitted that such a system also prevails in Government Departments. As regards temporary employees it was stated that security bonds were required along with cash deposits. The amount of deposit was kept in the post office in the joint names of the employee and the treasurer till the employee was confirmed and that on confirmation the amount was returned to him. The Reserve Bank has stated that in Bombay, till 30th June 1960 there was a contract treasurer who on attaining the age of superannuation proceeded on leave with effect from 1st July 1960 preparatory to retirement. that the Bank then decided to promote an employee to the treasurer's post. that the contract treasurer system did not prevail at Bombay at present, that the Hyderabad and Nagpur offices of the Bank were opened in March 1958 and September 1958 respectively and that the contract treasurer system has never been in force in those centres, that the Bank had only the Note Cancellation Sections at Lucknow, Ahmedabad, Ludhiana, Jaipur and Patna and that there was no necessity for a treasurer at those places at any time on contract basis or otherwise and that the contract treasurer system did not prevail at those centres.

19.6. The question sought to be raised at the hearing about the abolition of the contract treasurer system is, in my view, not covered by any of the terms of reference and I have no jurisdiction to entertain the same. All parties affected by this system are not before me and I give no directions in connection therewith.

19.7. Having carefully considered all aspects of the matter relating to guarantee bonds required to be given and cash deposits required to be made, in my view, no case is made out for giving any directions as desired by the Association. All claims made under the item under consideration are rejected.

CHAPTER XX

Item No. 11 in Schedule II

GRANT OF SICK LEAVE, EXTRAORDINARY LEAVE AND ACCIDENT LEAVE AND NOTICE REQUIRED FOR GRANT OF ORDINARY LEAVE

20.1. Regulations 91(1), 92 and 93 of the Reserve Bank of India (Staff) Regulations, 1948, dealing with sick leave admissible to the employees of the Reserve Bank provide as under:—

"91. (1) During the full period of his service an employee may be granted
* * * sick leave on medical certificate for a period not exceeding 18 months, and the Central Board may grant additional sick leave, if considered advisable in the Bank's interest, in special cases.
* * *

"92 The grant of sick leave * * * to an employee other than an officer, a Treasurer or a Staff Assistant who has already exhausted sick * * * leave, * * * proportionate to his length of service * * * shall require the sanction of the Chief Accountant."

"93. Sick * * * leave shall be on half average pay, which shall be reduced, except with the special sanction of the Central Board, to one quarter of average pay after twelve months in the case of sick leave
* * *

provided that where an employee has served the Bank for at least a period of five years he may, if he so requests, be permitted to avail himself of sick leave on average pay up to a maximum period of six months during the full period of his service, such leave on average pay being entered as twice the amount of leave taken in his sick leave account."

It has been stated by the Bank that a permanent employee absent on account of illness is allowed the option to avail himself of ordinary leave on average pay, notwithstanding the fact that sick leave may be admissible to him. Similar facility is admissible to temporary employees also. Sick leave as under is admissible to temporary employees:—

- (a) one day's sick leave for every 22 days of active service.
- (b) sick leave is admissible on half average pay.

- (c) when sick leave due to an employee amounts to 2 months no further sick leave will be earned by him.

20.2. The Union has submitted that an employee should be granted 30 days sick leave every year on full pay and allowances, that maximum sick leave should be up to 12 months with full pay and allowances, and that in extreme cases of prolonged illness further sick leave with half-pay and full allowances should be allowed till the employee completely recovers from his ailing condition.

20.3. The Reserve Bank in reply has pleaded that the existing provision is fair, reasonable and adequate and that the demands made are unreasonable and unjust and should be rejected.

20.4. Having considered all aspects of the matter, in my view, the existing provisions are reasonable and no case is made out for making any change therein and the claim made is rejected.

Extraordinary Leave

20.5. Regulation 94 of the Reserve Bank of India (Staff) Regulations, 1948, which deals with extraordinary leave, provides as under:—

"94. (1) Extraordinary leave may be granted to an employee when no ordinary leave is due to him and when, having regard to his length of service, sick or special leave is not considered justified by the competent authority. Except in exceptional circumstances the duration of extraordinary leave shall not exceed 3 months on any one occasion and 12 months during the entire period of an employee's service.

(2) A competent authority may grant extraordinary leave in combination with, or in continuation of leave of any other kind admissible to the employee, and may commute retrospectively periods of absence without leave into extraordinary leave.

(3) No pay and allowances are admissible during the period of extraordinary leave and the period spent on such leave shall not count for increments:

provided that, in cases where the sanctioning authority is satisfied that the leave was taken on account of illness or for any other cause beyond the employee's control, it may direct that the period of extraordinary leave may count for increments."

20.6. The Union has demanded that the period of extraordinary leave may be extended to 24 months.

20.7. In reply, the Reserve Bank has pleaded that the present provision is more than adequate and that it is neither in the interest of the employee nor of the Reserve Bank to augment this leave.

20.8. In my view, no case is made out for increasing the period of extraordinary leave, and the claim made is rejected.

Accident Leave

20.9. As stated by the Bank, the present position in connection with accident leave as regards Class IV employees is as under:—

"A Class IV employee working on machines for punching or stitching of notes, etc., who sustains injuries in the course of his duties has the option either to avail himself of ordinary or sick leave as admissible under the Staff Regulations or to apply for the grant of Accident Leave on half-average pay. Accident leave is granted for the period for which leave is medically certified to be necessary for recovery from the injury. Accident leave may be sanctioned in combination with or in continuation of leave of any kind admissible to the employee, if so desired by him. No limit is placed on the duration of Accident Leave."

It is further stated that in a couple of recent cases where the employees sustained injuries while on duty (lifting loads, etc.) it had been decided by the Bank to treat their absence as special casual leave (with full pay and allowances) to the extent admissible under Staff Regulation 90(2)(b)(iv). The said Regulation provides that notwithstanding anything contained in sub-regulation (1) of regulation 90 relating to casual leave, the Governor may "permit the grant of casual leave without

being subject to all or any of the limitations laid down in sub-regulation (1) when there are other exceptional circumstances necessitating the grant of casual leave in excess of the prescribed limits: provided that the total period of casual leave granted to an employee in any one calendar year shall in no case exceed 30 days, and if the grant of casual leave under this sub-regulation shall result in the total period being extended beyond 30 days, any period of absence in excess of 30 days shall be treated, subject to the provisions of the proviso to Regulation 91 as ordinary, sick, special or extraordinary leave, as the employee concerned may request.

Explanation.—In computing casual leave, intervening public holidays shall not be reckoned as days of casual leave."

20.10. The Reserve Bank has further stated that certain categories of employees in the Bank, such as liftmen, bullion van/car drivers, electricians, etc., who, by virtue of the duties performed by them are classified as workmen under the Workmen's Compensation Act are eligible for compensation and leave allowances in case of accident while on duty, in accordance with the terms of the said Act.

20.11. The Union has claimed that when an employee is involved in an accident while on duty, he should be granted accident leave with full pay and allowances till his complete recovery and the period of such absence should in no case be adjusted against any other kind of leave and all the service benefits should remain unaffected during the period of accident leave.

20.12. The Reserve Bank in reply has pleaded that accident leave is at present granted on half average pay and allowances on the recommendation of the Bank's medical officer, that this leave is not adjusted against any other kind of leave, that the present practice is fair and reasonable and that the demand should be rejected.

20.13. When an employee sustains injury in the course of his duties and when accident leave is granted to him for the period for which leave is medically certified to be necessary for recovery from the injury, an employee should as far as possible be free from the worry of maintaining his family when he needs rest and has to recuperate. In my view, it is fair that when such leave is granted the same should, for the first four months thereof, be on full pay and allowances instead of on half average pay, and I direct accordingly. As regards leave for the rest of the period the present provisions will apply.

Notice required for grant of Ordinary Leave

20.14. Regulation 85(1) which deals with the question when application for ordinary leave should be submitted, provides as under:—

"85. (1) In the case of Officers, Treasurers and Staff Assistants, applications for ordinary leave required during the half year ending the 30th June shall be submitted on or before the 30th September of the preceding year and for ordinary leave required during the half year ending the 31st December on or before the 31st March of that year. In other cases, applications for ordinary leave shall ordinarily be submitted at least one month before the date from which leave is required.

(2) Applications which do not satisfy the requirements of sub-regulation (1) may be refused without reason being stated."

20.15. The Union has pleaded that in emergent cases if there is no casual leave at the credit of an employee and the work is of an unavoidable nature then it is not possible for him under the said Regulation to get leave though he may have to suffer irreparable loss on that account. It has submitted that it would therefore, be proper if such a ban is lifted.

20.16. The Reserve Bank in reply has stated that the practice of requiring one month's notice in advance is a salutary one and in the best interests of the staff themselves, that in urgent cases the Bank considers the case sympathetically and does not rule out the application simply because it has not been made in time and that if no notice period was prescribed there would be complete chaos and it would be extremely difficult to draw up the leave programme and has submitted that the demand should be rejected.

20.17. At the hearing, Shri Sule, the learned Advocate for the Union, stated that in the case of Class IV staff, one month's notice was not necessary and the period should at least be reduced to 15 days.

20.18. In my view, no case is made out for any change in the present regulation and the demand made is rejected.

CHAPTER XXI

Item No. 12 in Schedule II

AGE OF RETIREMENT

21.1. Regulation 26 of the Reserve Bank of India (Staff) Regulations, 1948, which deals with the question of superannuation and retirement, provides as under:—

“26. (1) An employee shall retire at fifty-five years of age provided that the Bank may at their discretion retire an employee on completion of 30 years of service or 50 years of age, whichever shall first happen.

(2) The power conferred by sub-regulation (1) to retire an employee on the completion of 30 years of service or 50 years of age shall be exercised by the Governor with the prior approval of the Central Board in the case of officers and by the Manager, subject to such general or special instructions as may be issued by the Governor, in the case of other employees.

Explanation 1.—For the purpose of this Regulation service shall not include any period of service rendered by an employee before attaining the age of twenty-one years.

Explanation 2.—Notwithstanding anything contained in this Regulation, where an employee has ordinary leave earned but not availed of as on the date of retirement as prescribed in the above Regulation he may be permitted to avail of the leave subject to a maximum of 6 months in respect of leave earned under these Regulations and in that case the employee will be deemed to retire from service at the expiry of the leave.”

Regulation 2 which deals with the question of the applicability of the aforesaid Regulations, provides *inter alia* as follows:—

“2. (1) They (the Regulations) shall apply to every wholetime employee of the Bank appointed on and after the 1st December 1948 and shall also apply, subject to the provisions of Appendix V, to all employees in the service of the Bank on the 30th November 1948, who, with the permission of the Governor, elect to serve under them:

.. .. .”

Rule 7 in Appendix V provides as under:—

“7. In the case of a Government transferred employee—

.. .. .

(2) the power to retire an employee conferred by Regulation 26 shall not be exercised until the employee has attained the age of 55 years;

NOTE.—Notwithstanding anything contained in this sub-paragraph, an employee in Class IV may be retained in service after he has attained the age of 55 years until he attains the age of 60 years, subject to his continuing physically fit and maintaining his efficiency.

.. .. .”

The expression “transferred Government employee” means an employee serving under the Government Rules on the 30th day of November 1948, but does not include those transferred employees, whether retaining their previous superannuation rights or not, who had exercised their option to serve under the Reserve Bank of India (Staff) Regulations, 1936, prior to the 1st December 1948.

21.2. The Union has submitted that the age of retirement for all Class IV employees should be fixed at 60 years. The Reserve Bank in reply has stated that there was no case for raising the retirement age from 55 years to 60 years.

No demand has been made by the Association for raising the age of retirement as regards Class II and Class III staff.

21.3. At the hearing it was urged that the age of retirement should be raised because the retirement benefits were inadequate. The Union has filed an exhibit setting out a list of concerns where the age of retirement is 60 years. It has urged that there was nothing illogical in providing different ages of retirement for different classes of employees in the Reserve Bank, that Class IV staff came from a sturdier stock, that the work of Class IV staff in the Reserve Bank was not of a type that would wear out the staff and that Class IV staff which was vigilant should not be penalised because of the absence of a demand regarding the age of retirement on the part of Class II and Class III staff.

21.4. It was urged on behalf of the Reserve Bank that Class IV staff constituted only about 23 per cent of the entire staff, that there should be one uniform retirement age for all employees, that the question of the age of retirement as regards Class II and Class III staff was not the subject matter of adjudication and that the demand should be rejected. An exhibit was filed on behalf of the Bank showing the various periods of leave availed of by transferred Government Class IV employees during the period of four years immediately before and immediately after attaining the age of 54 years. This exhibit does not throw much light on the problem.

21.5. The Supreme Court, in the case of *Guest Keen Williams (Private) Ltd., vs. Sterling (P.J.)* and others, reported in 1959 (II) Labour Law Journal, page 405, in the course of its judgment, has observed that in fixing the age of superannuation Industrial Tribunals have to take into account several relevant factors. The factors enumerated by it are the following:—What is the nature of the work assigned to the employees in the course of their employment? What is the nature of the wage structure paid to them? What are the retirement benefits and other amenities available to them? What is the character of the climate where the employees work and what is the age of superannuation fixed in comparable industries in the same region? What is generally the practice prevailing in the industry in the past in the matter of retiring its employees? The Supreme Court has laid down that these and other relevant facts have to be weighed by the Tribunal in every case when it is called upon to fix an age of superannuation in an industrial dispute. In the case of *Imperial Chemical Industries (India) (Private) Ltd., Bombay* and its workmen, reported in 1960 (II) Labour Law Journal, page 716, the Supreme Court has observed that in fixing the age of retirement no hard and fast rule could be laid down and that the decision on the question would always depend on a proper assessment of relevant factors and might conceivably vary from case to case.

21.6. The Second Pay Commission, after examining a number of witnesses, has observed at page 437 as under:—

“With but a few exceptions, there is an extraordinary unanimity of opinion among those who have given evidence before us that the age of superannuation should be raised; the difference is only as to whether it should be raised to 58 or 60 years.”

At page 442 of the Report it has stated as under:—

“To sum up, there is much in favour of and very little against raising the age of superannuation; but whether it should be raised to 58 or 60 years remains to be considered.”

After taking into account various factors it recommended that the age of superannuation should be 58 for all classes of public servants, with the reservation that persons already in service may continue upto the age of 60, if they were then entitled to do so.

21.7. The Sastry Tribunal provided that after a workman had reached the age of 55 years he may be retired after giving him two months' notice in writing in case his efficiency was found by the employer to have been impaired. It further provided that subject to the aforesaid rule and subject to any rule under an existing pension fund, a workman should not be compelled to retire before he is 58 years old. Under my award in Reference No. 1 of 1960 applicable to numerous banks, I have directed that after a workman had reached the age of 55 years, he may be retired after giving him two months' notice in writing in case his efficiency was found by the employer to have been impaired and that subject to the said rule and also subject to any rule under any then existing

pension fund, a workman should not be compelled to retire before he was 58 years old and that banks would be at liberty, wherever they considered fit, to make rules providing for a higher age of retirement.

21.8. The work done by Class IV staff of the Reserve Bank is not of such a type as would wear out the employees, so that after attaining the age of 55 years they may not be in a position to discharge their duties efficiently. A higher age of retirement has been provided since a long time for numerous banking companies. The fact that Class II and Class III employees have not chosen to make a demand in this connection should not come in the way of Class IV staff if their demand is otherwise reasonable and just. No doubt, uniformity about the age of retirement in any establishment is a desirable thing. Sometimes persons employed as Class IV staff are promoted to posts in a higher class. It does not however constitute an insuperable obstacle to the raising of the age of retirement for Class IV staff. In some establishments the age of retirement for Class IV employees is different from that prescribed for others. Rule 161 of the Bombay Civil Services Rules in this connection provides *inter alia* as under:—

"161. (a) Except as otherwise provided in the other clauses of this rule, the date of compulsory retirement of a Government servant, other than a Class IV servant, is the date on which he attains the age of 55 years. He may be retained in service after the date of compulsory retirement only with the previous sanction of Government, on public grounds which must be recorded in writing.

(b) A Government servant in Class IV service should be required to retire at the age of 60 years. He may not be retained in service after that age, except with the sanction of Government.

* * *

In my view, the Union has made out a case for raising the age of retirement of Class IV employees. Having very carefully considered the matter, after taking every relevant factor into consideration, I am of the view that after a workman belonging to Class IV staff has reached the age of 55 years, he may be retired after giving him two months' notice in writing in case his efficiency is found by the Bank to have been impaired and that, subject to this rule and also subject to any rule under an existing pension fund, such workman should not be compelled to retire before he is 58 years old and I direct accordingly. Notwithstanding anything herein contained, a Class IV employee governed by the provisions of rule 7 of Appendix V referred to earlier may be retained in service after he has attained the age of 58 years until he attains the age of 60 years, subject to his continuing physically fit and maintaining his efficiency.

CHAPTER XXII

Item No. 13 in Schedule II

CONVERSION OF PART-TIME POSTS INTO FULL-TIME POSTS

22.1. The Union has alleged that since the year 1954 the Bank had started employing part-time employees and employees on daily wages on the plea of the part-time nature of the work which was required to be done, that the total hours of work of such employees were more or less the same as those of regular Class IV employees and that in fact it was "a method of by-passing the facilities enjoyed by other Class IV employees". It has pleaded that under this system there were possibilities of a workman not getting a fair treatment and due return for his labour. The Union has demanded that the system of employing labour on part-time basis and on daily wages should be completely discontinued by the Bank and that those who are working at present under the above system should be given facilities at par with other Class IV employees.

22.2. The Reserve Bank in reply has pleaded that part-time employees are engaged for work which is part-time and that it would not be reasonable to make all part-time employees full-time employees. It has denied that part-time employees were employed to avoid granting them facilities enjoyed by full-time Class IV employees or with a view not to extend to them fair treatment or due return for labour and that the demand was unreasonable and unjustified and should be rejected.

22.3. At the hearing it was stated on behalf of the Union that these part-time employees were engaged as mazdoors, farashes, sweepers tea/water boys, malis, and durwans. The Union has filed a statement giving particulars regarding part-time workers employed at various places. At the hearing it was stated by the Union that there were 77 such part-time employees and that out of these 77 employees, 41 were in the category of sweepers, 13 in the category of farashes and 15 in the category of tea/water boys. The Bank has stated that it was not possible to convert part-time posts to full time posts as full time work was not required of persons appointed to those posts.

22.4. In my view, it would not be proper to direct that the system of employing labour on part-time basis or daily wages should be discontinued by the Bank or that those who are working at present under the above system should be given facilities at par with those given to other Class IV employees. There are a number of employees like sweepers, farashes, etc., who do part-time work, and I cannot direct that all part-time posts should be converted into full time posts. So long as there is part-time work, part-time posts are liable to be maintained and the claim made is rejected.

CHAPTER XXIII

Item No. 14 in Schedule II

PROVISION FOR INSURANCE AGAINST RISK OF INJURY OR DEATH

23.1. The Union has claimed that it is an accepted policy in a number of advanced countries to provide for insurance against risk of injury or death and that it forms part of the social insurance which is being constantly accepted in all welfare states. It has submitted that the Reserve Bank should provide for insurance against risk of injury or death to workmen from out of its own funds.

23.2. The Reserve Bank in reply has pleaded that the demand does not constitute an industrial dispute as it is not a part of the terms or conditions of service that an employee should be insured. Without prejudice to the aforesaid contention, it has submitted that employees who, by virtue of the duties performed by them, come within the definition of workmen under the Workmen's Compensation Act, such as liftmen, drivers, cleaners, electricians, etc., are paid, in case of accident, in terms of the said Act, that in the case of other employees who are not covered thereby, compensation is paid to them on the lines provided in the said Act, that no further provision was required to be made and that the demand should be rejected.

23.3. Employees by and large in a bank are not required to work on machines in the handling of which there is a danger of a serious injury being caused. Occasionally, some employees have to face the risk of an attack by anti-social elements and sometimes mazdoors working on machines used for punching or stitching notes, etc. receive injuries. There does not appear to be any necessity for insuring all employees of the Bank against risk of injury or death whilst on duty. There is no demand made in this connection by Class II or Class III employees. The present position in the Reserve Bank in this connection as stated by the Bank in an exhibit filed by the Bank is as under:

"The Reserve Bank has made provision for granting suitable relief in the case of employees who may die or sustain injuries while on duty as under:—

Category (A)—

- (i) Liftmen, Bullion Van/Car Drivers, Bullion Van/Car Cleaners and Plumbers.
- (ii) Wiremen, Electricians and Mazdoors/Mistries and other employees (including part-time employees) assisting them in the maintenance of electrical installations, Air-Conditioning Plant Attendants and Sub-Station Attendants,

who by virtue of the duties performed by them are classified as "workmen" under the Workmen's Compensation Act, 1923 are paid compensation, in case of accident while on duty, in accordance with the terms of the said Act.

Category (B)—

Mazdoors working on machines used in offices of the Bank for punching or stitching notes, etc., who sustain injuries or suffer partial or total disability in the course of execution of their normal duties are paid compensation on the basis provided for in the Workmen's Compensation Act even though the Act is not applicable to them.

Category (C)—

Cycle Peons are insured against personal accident risk covering 'Death only' benefits and third party liability.

Category (D)—

Staff accompanying (i) registered/insured articles to Post Office, and (ii) cash remittances in transit between the Bank's offices and Scheduled Banks when not accompanied by armed guards, are insured against bodily injuries or fatal accidents.

NOTE:—In addition, free medical and hospital facilities are provided by the Bank to employees in all the above categories."

In addition leave is granted on certain conditions. In my view, no case is made out for giving any directions to the Bank in connection with insuring Class IV employees or any other employees against risk of injury or death out of its own funds as demanded by the Union. It is not necessary to give any directions to the Reserve Bank under this head and I do not give any directions to the Bank under this head. In view thereof it is not necessary for me to consider the question raised by the Bank that the demand does not give rise to an industrial dispute within the meaning of the Industrial Disputes Act, 1947.

CHAPTER XXIV*Item No. 15 in Schedule II***UNIFORMS AND LIVERIES**

24.1. The Union has pleaded that the principle of providing uniforms and liveries to various categories of Class IV staff has been accepted by the Bank and has submitted that uniforms and liveries should be supplied to the different categories of Class IV employees as follows:—

- “(a) Four sets of cotton uniforms be supplied to the Class IV staff at all the centres.
- (b) For the winter season, one set of woollen uniform may be supplied once in two years where at present such uniforms are being supplied.
- (c) Because of the special type of work which Night Durwans have to do, a woollen overcoat should be supplied every two years.
- (d) At present, a discrimination is made in the quality of cloth out of which the liveries are made, in the case of different categories of Class IV employees. The Union submits that there should be no discrimination in the quality of cloth and that all Class IV employees should get uniforms and liveries out of the same quality of cloth. The type and make of the uniforms should be similar in the case of all categories of Class IV staff. The quality of cloth and the type and make of the uniforms should be decided with the prior approval of the Union at all centres.
- (e) The summer uniforms should be supplied latest by the month of March and the winter liveries should be supplied latest by the month of August. Where no winter uniforms are supplied, the summer uniforms should be made available by the month of January.
- (f) At present the Bank supplies one set of brass buttons to each employee when he enters in the service. This is supposed to last during his entire period of service. For replacement in case of loss or breakage employee has to pay for the cost. The Bank does not supply at all centres polishing material like brasso for keeping these buttons clean while the employee is pulled up by the superior officers if the buttons are not well polished. The Union, therefore, submits that brass buttons

should be done away with and ordinary buttons should be fitted in the uniforms.

- (g) At present the Bank supplies one woollen cap every year to each employee except mazdoors, farash etc. and some other categories of employees. These woollen caps are inconvenient during the most parts of the year. The Union submits that the supply of caps should be discontinued.
- (h) One pair of shoes and four pairs of socks should be supplied every year to each employee as part of his liveries.
- (i) The umbrellas should be provided to Class IV employees after every two years.
- (j) The arrangements for washing and cleaning the uniforms should be regular, efficient and prompt."

24.2. The Reserve Bank in reply has pleaded that the present uniforms and liveries supplied were adequate and reasonable and that no case existed for grant of any more items nor should any alterations be made in the present articles supplied and that the demand was extravagant and unreasonable and should be rejected.

24.3. The present position in regard to uniforms and liveries in the Reserve Bank of India, as given by the Bank is as follows:—Two sets of cotton uniforms made of drill are supplied annually at all centres except at Madras and Trivandrum where due to humid climatic conditions three sets of uniforms are supplied annually. Also at Bombay, certain members of the staff, viz., vicemen, mazdoors, head mazdoors, farashes, sweepers, mails, van cleaners, khitmatgars, bullion van/car drivers, air-conditioning plant attendants, electrician/mistry whose duties involve more wear and tear of clothing are supplied with three sets of uniforms. Jamadars attending on high executives of the Bank, Gurkha peons, Gurkha Jamadars and record clerks in Bombay are also supplied with three sets of cotton uniforms annually as a special case. At certain centres peons drafted for outdoor duties are also supplied with an additional set of cotton uniforms. One set of winter uniform is now being supplied biennially at Calcutta, New Delhi, Kanpur, Nagpur, Gauhati, Patna, Lucknow, Indore, Ahmedabad, Ludhiana and Jaipur. Only one woollen full sleeve jersey is supplied biennially to Class IV employees at Bangalore and Hyderabad by way of winter liveries. Class IV employees in Bombay accompanying officials to places where winter is severe are also supplied winter uniforms, blanket and pullover. Wherever found necessary and depending mainly upon the climate of a place and the conditions in which the durwan has to perform the night duty (i.e. whether he has to perform duty inside the premises or outside) he is supplied in addition to the usual uniforms (viz., 2 sets of summer uniforms annually and 1 set of winter uniform biennially) a woollen overcoat or a jersey as a protection against cold weather. At Kanpur and New Delhi a woollen overcoat is supplied once in every 3-4 years. At Kanpur turbans is lieu of woollen forage caps are also supplied. In Bangalore a woollen jersey is supplied biennially to durwans on night duty. Also, durwans attached to staff quarters at Calcutta who have to go round the premises are supplied a woollen jersey. The Union is not consulted in the matter of supply of uniforms but sufficient care is being taken by the Bank to select cloth of good quality and colour etc. for the uniforms. The pattern and design of uniforms have been prescribed after taking into consideration the nature of work required to be attended to and performed by different categories of staff, e.g., the uniform of peons is different from that of mazdoors; peons are supplied with white drill suits (long pants and military pattern coats with full sleeves) as against khakhi drill full pants and khakhi shirts with short sleeves to mazdoors. Again, air-conditioning plant and sub-station attendants are supplied with boiler suits, while female sweepers are supplied with sarees and jacket pieces. The summer and winter uniforms are being supplied before the commencement of the respective seasons. Requisite number of brass plated buttons are issued to the concerned members of Class IV employees at the time when the first set of uniforms is supplied. Buttons becoming unserviceable through normal wear and tear are replaced by the Bank free of cost. In the case of negligence of an employee the cost of buttons, viz., 28 nP. per button is recovered from the employee. Regular supply of 'Brasso' paste metal polish is made at all centres except at Calcutta (Banking Department), Bombay (Central Office) and Lucknow where the practice adopted is somewhat different. At Calcutta the cleaners are supplied with brasso for polishing fittings and no objection is taken if peons use it for polishing buttons. At the other two offices, each section is

supplied with one tin of brasso once a year for the purpose of polishing sundry items including the buttons of Class IV staff. Shoes/Chappals are being supplied mainly to Jamadars and peons attending on senior officers of the Bank, motor/vehicle drivers and employees who are drafted for outdoor work at certain centres. The supply of footwear is ordinarily made biennially. Gurkha peons and Gurkha Jamadars are in addition supplied with two pairs of woollen socks annually. Umbrellas are being supplied to Class IV staff (peons, durwans, mazdoors, farashes etc.) who have to attend to outdoor duties during monsoon and Jamadars and peons attending on high officials in Bombay. Normally an umbrella lasts for 2-3 years. The summer uniforms are washed once a week and the winter uniforms are dry-cleaned after they are used for one full season at the Bank's expense. The work is entrusted either to a contractor or a reputed firm by offices of the Bank at various centres. Uniforms are supplied in the Reserve Bank of India to all permanent employees in Class IV and all temporary employees in Class IV working in a permanent or a long term vacancy and who have completed six months continuous service. The Bank has stated that the brass plated buttons embossed with 'RBI' insignia have been specifically designed to lend elegance and distinctiveness to the uniforms. The buttons suit the uniforms well and also differentiate the Bank's uniforms from those of other institutions. The cap is an essential part of the uniform. In the Conciliation Conference held in 1958, the Union suggested to the Bank that some material with mixed wool and cotton may be tried for the cap. A forage cap made of such material procured from a mill in Bangalore was sent to the All India Union in November 1959 and the Bank is still awaiting their views in the matter.

24.4. In my view, the provision made by the Bank in connection with uniforms and liveries is reasonable and sufficient and no directions are required to be given to the Bank in connection therewith.

CHAPTER XXV

Item No. 18 in Schedule II

SUSPENSION AND ALLOWANCE DURING SUSPENSION

25.1. The Union has submitted that there should be no suspension except where an employee is involved in an offence for which he is liable to conviction and sentence under the provisions of the criminal law. It has further pleaded that suspension allowance at the rate of 3/4ths of the total emoluments should be paid for the first three months and that thereafter full salary and allowances should be paid.

25.2. The Reserve Bank has pleaded in reply that the demand is unreasonable and unjustified and that the present practice which is based on accepted principles, should continue.

25.3. Regulations 46 and 47 of the Reserve Bank of India (Staff) Regulations, 1948, which deal with the question of suspension and allowance during suspension, provide as under:—

- "46 (1) An employee who is arrested for debt or on a criminal charge or is detained in pursuance of any process of law, may, if so directed by the competent authority, be considered as being or having been under suspension from the date of his arrest, or, as the case may be, of his detention, upto such date or during such other period, as the competent authority may direct. In respect of the period in regard to which he is so treated, he shall be allowed the payment admissible to an employee under suspension under sub-regulation (4) of Regulation 47.
- (2) Any payment made to an employee under sub-regulation (1) shall be subject to adjustment of his pay and allowances which shall be made according to the circumstances of the case and in the light of the decision as to whether such period is to be accounted for as a period of duty or leave:

Provided that full pay and allowance will be admissible only if the employee—

- (a) is treated as on duty during such period; and
- (b) is acquitted of all blame or satisfies the competent authority, in the case of his release from detention being set aside by a competent

court, that he had not been guilty of improper conduct resulting in his detention.

* * * * *

"47. (1) Without prejudice to the provisions of other Regulations, an employee who commits a breach of the Regulations of the Bank, or who displays negligence, inefficiency or indolence, or who knowingly does anything detrimental to the interests of the Bank or in conflict with its instructions, or who commits a breach of discipline or is guilty of any other act of misconduct, shall be liable to the following penalties:—

- (a) reprimand;
- (b) delay or stoppage of increment or promotion;
- (c) degradation to a lower post or grade or to a lower stage in his incremental scale;
- (d) recovery from pay of the whole or part of any pecuniary loss caused to the Bank by the employee;
- (e) dismissal.

(2) No employee shall be subjected to the penalties (b), (c), (d), or (e) of sub-regulation (1) except by an order in writing signed by the Governor in the case of an officer, or the Manager in the case of other employees

* * * *

* * * *

(4) An employee may be placed under suspension by the officer empowered to pass the final order under the regulation. During such suspension, he shall receive subsistence allowance equal to his substantive pay, provided that if no penalty under clauses (b), (c), (d) or (e) of sub-regulation (1) is imposed the employee shall be refunded the difference between his substantive pay and the emoluments which he would have received but for such suspension, for the period he was under suspension, and that, if a penalty is imposed on him under the sub-clauses, no order shall be passed which shall have the effect of compelling him to refund such subsistence allowance. The period during which an employee is under suspension shall, if he is not dismissed from the service, be treated as period spent on duty or leave as the officer who passed the final order may direct."

25.4. Under my award in Reference No. 1 of 1960 I have provided for subsistence allowance during the period of suspension as under:—

- (1) For the first three months one-third of the pay and allowances which the workman would have got but for the suspension;
- (2) Thereafter, (i) where the enquiry is departmental by the bank, one half of the pay and allowances for the succeeding months; (ii) where the enquiry is by an outside agency, one-third of the pay and allowances for the next three months and thereafter one-half for the succeeding months until the enquiry is over.

25.5. The provisions contained in the Reserve Bank of India (Staff) Regulations, 1948, in connection with suspension and suspension allowance are fair. Under this award the amount of basic pay has been considerably augmented. No case is made out for making any change as demanded by the Union and the claim made is rejected.

CHAPTER XXVI

Item No. 17 in Schedule I

CATEGORISATION OF WORKMEN TO WHOM THE AWARD OF THE TRIBUNAL SHOULD BE APPLICABLE

26.1. The Association has pleaded that the Reserve Bank had itself approached the Central Government for a reference in respect of all categories of workmen and therefore, there was no dispute on this count between the Bank and the Association. The Association has pleaded that each and every employee belonging to Class II and Class III in the Reserve Bank was a "workman" as defined in the Industrial Disputes Act, 1947, and that the award *ipso facto* will become applicable to all these employees.

26.2. In reply, the Reserve Bank has denied that every employee of the Bank in Classes II and III was a workman and has stated that it was not correct that the

present reference covered or was in respect of all employees belonging to Classes II and III. It has submitted that no employee who did not fall within the definition of "workman" would be covered by the reference, and has relied upon the plea of jurisdiction taken by it earlier in connection with persons belonging to the supervisory cadre.

26.3. I have earlier dealt with the question of Class II staff who are employed in a supervisory capacity and draw wages exceeding Rs. 500 per month. I have excluded from the operation of the award all persons belonging to Class II staff other than Personal Assistants and Personal Assistant to the Governor. Even as regards Personal Assistants and Personal Assistant to the Governor, I have not extended to them the provisions of the award relating to overtime. Except as otherwise provided in this award the provisions of this award will extend to all workmen belonging to Class III and Class IV staff and to Personal Assistants and Personal Assistant to the Governor. The award will apply only to employees who are 'workmen' within the meaning of the Industrial Disputes Act, 1947 so long as they remain workmen. The provisions of this award will not apply to apprentices, casual workers, workers employed on daily wages and job workers.

CHAPTER XXVII

Item No. 20 in Schedule I

Item No. 21 in Schedule II

DATE OF EFFECT OF THE NEW AWARD AND OPTION, IF ANY, TO BE GIVEN TO THE EXISTING EMPLOYEES TO RETAIN THEIR PRESENT TERMS AND CONDITIONS OF SERVICE.

27.1. The Association has demanded that my award should be made effective on and from 1st November 1957. It has stated that the agreement arrived at in October 1954 stood terminated after three years, i.e., in October 1957. In connection with the right of option, the Association has pleaded as under:—

"The Association states that the employees do not claim any right of option to be exercised by the employees after the award is given unless the Association at the time of hearing on a specific issue specifically requests for such an option in the light of the then circumstances."

27.2. The Union has submitted that the award of the Tribunal should apply to all categories of employees for whom demands have been put forward and should include temporary employees, permanent employees and part-time employees. The Union has stated that the agreement entered into between the Bank and the Union expired in the month of November 1957 and that my award should be given effect "from the date after the expiry of the old agreement."

27.3. The Reserve Bank in reply has submitted that the Tribunal had no jurisdiction to grant retrospective effect beyond the date of the reference and that the Tribunal would only have jurisdiction to consider granting retrospective effect if there was a specific demand asking for a specific date from which retrospective effect was claimed and such demand was referred for adjudication. Without prejudice to the aforesaid contention, it has submitted that there was no force in the submission that the award should be made effective on 1st November 1957. It has stated that the Reserve Bank had taken into account the needs of the employees from time to time. It has pleaded that the Supreme Court, in the Lipton case had laid down that if the demands made were exorbitant and the management was justified in refusing to accept the demands *in toto* it would be wrong to give retrospective effect from the date of the making of the demands. It has submitted that the aforesaid principle was fully applicable in the present case. The Reserve Bank has stated that it would deal with the question of option as and when a claim was made by the Association in connection therewith. The Reserve Bank, in answer to the demands of the Union, has submitted that part-time employees should not be given the benefits of full time employees.

27.4. The question raised by the Union that the award should apply to all categories of employees for whom demands had been put forward by the Union and that the same should include temporary employees, permanent employees and part-time employees, cannot be determined under Item No. 21 in Schedule II to the Order of Reference.

27.5. Section 17A of the Industrial Disputes Act, 1947 to the extent that it is relevant, provides as under:—

"17A. (1) An award (including an arbitration award) shall become enforceable on the expiry of thirty days from the date of its publication under section 17:

Provided that—

- (b) if the Central Government is of opinion in any case where the award has been given by a National Tribunal, that it will be inexpedient on public grounds affecting national economy or social justice to give effect to the whole or any part of the award the appropriate Government, or as the case may be, the Central Government may, by notification in the Official Gazette, declare that the award shall not become enforceable on the expiry of the said period of thirty days.
- (2) Where any declaration has been made in relation to an award under the proviso to sub-section (1), * * * the Central Government may, within ninety days from the date of publication of the award under section 17, make an order rejecting or modifying the award, and shall, on the first available opportunity, lay the award together with a copy of the order before * * * Parliament * * *.
- (3) Where any award as rejected or modified by an order made under sub-section (2) is laid before * * * Parliament, such award shall become enforceable on the expiry of fifteen days from the date on which it is so laid; and where no order under sub-section (2) is made in pursuance of a declaration under the proviso to sub-section (1), the award shall become enforceable on the expiry of the period of ninety days referred to in sub-section (2).
- (4) Subject to the provisions of sub-section (1) and sub-section (3) regarding the enforceability of an award, the award shall come into operation with effect from such date as may be specified therein, but where no date is specified, it shall come into operation on the date when the award becomes enforceable under sub-section (1) or sub-section (3), as the case may be."

Under the provisions contained in sub-section (4) of section 17A, therefore, an award will come into operation with effect from such date as may be specified in the award and where no date is specified, it will come into operation on the date when the award becomes enforceable under the provisions of the said section. I have to consider the date from which my award should come into operation.

27.6. It has been urged on behalf of the Bank that I have no jurisdiction to make an award operative from a date prior to the date of the order of reference. It has been urged that unless there was an industrial dispute raised as regards the date from which relief should be given by means of an award and unless such dispute was referred to the Tribunal, it would have no jurisdiction to make the award operative with retrospective effect from a date prior to the date of the order of reference. There is considerable force in this contention.

27.7. On behalf of the Bank, very strong reliance has been placed on the decision of the Supreme Court in the case of Lipton Ltd., and another and their employees, reported in 1959 (1) LLJ, page 431. At page 445 of the report, the Supreme Court, in dealing with the question of giving retrospective effect to an award, has expressed itself in terms following:—

"The only other point which requires consideration is the question of the date from which the new scales of pay should come into effect. The industrial tribunal fixed 1 January 1954, on the ground that the union had presented its charter of demands to the appellant for the first time towards the end of December 1953. We are unable to agree with the tribunals below that the circumstance that a charter of demands was presented in December 1953 is a good ground for giving retrospective effect to the new scales of pay. The charter of demands presented by the union consisted of 20 items and in the matter of the wage scale what the union demanded was in some cases more than 50 to 75 per cent. increase on the existing scales of pay. Obviously, the demands were exorbitant and the management was justified in refusing to accept the demands in toto. We are, therefore, unable to agree that retrospective effect should be given to the new scales of pay from 1 January 1954.

The award was made on 18 August 1955, and it was published on 6 October 1955. We think that it would be more just to bring the new scales of pay with effect from 1 November 1955, and we direct accordingly."

It was urged on behalf of the Bank that the observations of the Supreme Court in that case were applicable with even greater force to the facts of the present case. A statement has been filed by the Reserve Bank showing the existing scales of pay and the total emoluments paid by the Reserve Bank and the scales of pay and total emoluments demanded by the Reserve Bank Employees' Association. According to that statement, the percentage of increase in the total emoluments at Bombay and Calcutta at the All India working class consumer price index number 122 base 1949=100, would be as follows:—

Existing emoluments paid by the Reserve Bank of India.			Emoluments claimed by the All India Reserve Bank Employees' Association.		
Appointments	Scales of pay	Total emoluments at Bombay and Calcutta	Scales of pay	Total emoluments at Bombay and Calcutta	Percentage increase
1	2	3	4	5	6
		Rs. nP.		Rs. nP.	
Stenographers, Gr. I*	Rs. 200—15—320—EB—20—360	327.75 (533.75)	Rs. 325—20—425—25—650	588.95 (1158.79)	80 (117)
Stenographers, Gr. II*	Rs. 120—10—190—EB—15—325	217.95 (495.75)	Ditto	588.95 (1158.79)	170 (134)
Economic/Banking/Statistical and Central Office Assistants.	Rs. 175—12½—300—EB—20—440	277.30 (626.75)	Rs. 325—20—425—25—650	569.83 (1158.79)	105 (85)
Typists	Rs. 100—8—140—EB—10—210— EB—12½—310	182.00 (478.75)	Rs. 220—10—240—12½—290—15 —365—20—425—25—550 plus special pay Rs. 30 p. m.	415.73 (1013.45)	128 (112)
Tellers*	Rs. 200—12½—350	327.75 (522.75)	Rs. 325—20—425—25—650	588.95 (1158.79)	80 (122)
Translators	Rs. 120—8—160—EB—10—210— —EB—12½—310	205.20 (478.75)	Rs. 220—10—240—12½—290—15 —365—20—425—25—550 plus Spl. pay Rs. 30 p.m.	415.73 (1013.45)	103 (112)
Comptometer Operators	Rs. 120—8—160—EB—10—250— EB—12½—300	205.20 (467.75)	Ditto	415.73 (1013.45)	103 (117)
Adrema Operators (Bombay and Calcutta).	Rs. 120—8—160—EB—10—250— EB—12½—300	205.20 (467.75)	Ditto	415.73 (1013.45)	103 (117)
Telephone Operators, Grade I (Bombay and Calcutta).	Rs. 120—10—190—EB—15—310	205.20 (478.75)	Rs. 220—10—240—12½—290—15 —365—20—425—25—550 plus spl. pay Rs. 30 p.m.	415.73 (1013.45)	103 (112)
Telephone Operators, Grade II	Rs. 90—5—100—8—140—EB— —10—250—EB—12½—275	172.00 (440.75)	Ditto	415.73 (1013.45)	142 (130)

Caretakers, Gr. II	Rs. 150—10—190—EB—15—310	246.50 (478.75)	Rs. 325—20—425—25—650 .	569.83 (1158.79)	131 (142)
Electricians, Gr. I* (Bombay) .	Rs. 120—10—190—EB—15—310	217.95 (478.75)	Rs. 220—10—240—12½—290— —15—365—20—425—25—550 plus spl. pay Rs. 30 p.m.	434.85 (1013.45)	100 (112)
Electricians, Gr. II	Rs. 100—8—140—EB—10—250	182.00 (392.75)	Ditto	415.73 (1013.45)	128 (158)
Compounders Gr. I (Bombay & Calcutta).	Rs. 90—5—100—8—140—EB—10 —250	172.00 (392.75)	Rs. 220—10—240—12½—290— 15—365—20—425—25—550	385.73 (983.45)	124 (150)
Senior Draftsmen	Rs. 175—12½—300—EB—20—440	290.05 (626.75)	Rs. 325—20—425—25—650 .	588.95 (1158.79)	103 (85)
Junior Draftsmen	Rs. 120—10—210—EB—12½—310	205.20 (478.75)	Ditto	588.95 (1158.79)	187 (142)
Supervisors* Machine section .	Rs. 175—12½—300—EB—20—440	290.05 (626.75)	Ditto	588.95 (1158.79)	103 (85)
A. C. Plant and Electrical Super- visors.	Rs. 175—12½—325 .	277.30 (495.75)	Rs. 325—20—425—25—650 .	569.83 (1158.79)	105 (134)
Tabulator Operators and Sorter Operators.	Rs. 120—8—160—EB—10—310 and machine allowance of Rs. 15 p.m.	220.20 (493.75)	Rs. 220—10—240—12½—290—15 —365—20—425—25—550 plus spl. pay Rs. 30 p.m.	415.73 (1013.45)	89 (105)
Punch Operators	Rs. 90—5—100—8—140—EB—10 —250—EB—12½—300 and machine allowance of Rs. 15 p.m.	187.00 (482.75)	Rs. 220—10—240—12½—290—15 —365—20—425—25—550 plus spl. pay of Rs. 15 p.m.	400.73 (998.45)	114 (107)
Clerks/Coin-Note Gr. II. Examiners,	Rs. 90—5—100—8—140—EB—10 —250—EB—12½—300	172.00 (467.75)	Rs. 220—10—240—12½—290—15 —365—20—425—25—550	385.73 (983.45)	124 (110)
Clerks/Coin-Note Gr. I. Examiners,	Rs. 90—5—100—8—140—EB— 10—250—EB—12½—300 plus Spl. pay Rs. 10.	283.45 (478.75)	Rs. 325—20—425—25—650	588.95 (1158.79)	108 (142)

(Figures in brackets pertain to maximum emoluments)

*In these cases only the element of Family Allowance is included in the total emoluments at the *minimum stage*.

A similar statement has been filed by the Bank showing the existing scales of pay and the total emoluments paid by the Bank and the scales of pay and total emoluments demanded by the Union. According to that statement, the percentage of increase in the total emoluments at Bombay and Calcutta at the all-India working class consumer price index number 122—base 1949=100 would be as follows :—

Existing emoluments paid by the Reserve Bank of India			Emoluments claimed by the All India Reserve Bank Employees' Union		
Appointments	Scale of pay	Total emoluments at Bombay and Calcutta	Scale of pay	Total emoluments at Bombay and Calcutta	Percentage increase
1	2	3	4	5	6
		Rs. nP.		Rs. nP.	
Peons, Durwans, Liftmen, Maz- doors, Farashes, Khitmatgars, Van Cleaners and Malis.	Rs. 50—2—74—1—80	115·00 (155·00)	Rs. 145—7—187—8—235—11— 290	267·98 (512·64)	133 (231)
			Liftmen Do. Plus spl. pay Rs. 30 p.m.	297·98 (542·64)	159 (250)
Sweepers and Bhisties	Rs. 50—2—70	115·00 (145·00)	Rs. 145—7—187—8—235—11— 290	267·98 (512·64)	133 (254)
Dufftries* Jamadars, Gr. III*	Rs. 60—3—90	135·00 (165·00)	Rs. Do. plus spl. pay Rs. 40 p.m.	334·65 (552·64)	148 (235)
Gestetner Operators*, Vicemen*	Rs. 70—3—100	145·00 (175·00)	Do. plus spl. pay Rs. 50 p.m.	344·65 (562·64)	138 (222)
Record Clerks*	Rs. 70—3—100—EB—2—110	145·00 (185·00)	Do. plus spl. pay Rs. 60 p.m.	354·65 (572·64)	145 (210)
Head Mazdoors*	Rs. 65—3—95	140·00 (170·00)	Do. plus spl. pay Rs. 45 p.m.	339·65 (557·64)	143 (228)
Jamadars, Gr. II*	Rs. 70—3—100	145·00 (175·00)	Do. plus spl. pay Rs. 50 p.m.	344·65 (562·64)	138 (222)

Jamadars, Gr. I*	Rs. 70—3—100—EB—2—110 plus spl. pay Rs. 10 p.m.	155.00 (195.00)	Rs. 145—7—187—8—235—11— —290 plus spl. pay Rs. 60 p.m.	354.65 (572.64)	129 (194)
Drivers, Gr. I	Rs. 90—5—140	155.00 (215.00)	Do. plus Spl. pay Rs. 70 p.m.	337.98 (582.64)	118 (171)
P.D.O. Jemadar (Calcutta)	Rs. 75—5—100—EB—5—125	140.00 (200.00)	Rs. 145—7—187—8—235—11— 290	267.98 (512.64)	91 (156)
P.D.O. Compositors (Calcutta)	Rs. 60—5—100	125.00 (175.00)	Do. plus spl. pay Rs. 40 p.m.	307.98 (552.64)	146 (216)
P.D.O. Pressmen (Calcutta)	Rs. 60—3—90	125.00 (165.00)	Do. plus spl. pay Rs. 30 p.m.	297.98 (542.64)	138 (229)
P.D.O. Inkmen (Calcutta)	Rs. 50—2—74—1—80	115.00 (155.00)	Rs. 145—7—187—8—235—11— 290	267.98 (512.64)	133 (231)
Head Mazdoor* Governor's re- sidence.	Rs. 50—2—74—1—80 plus spl. pay Rs. 10 p.m.	135.00 (165.00)	Do. plus spl. pay Rs. 45 p.m.	339.65 (557.64)	152 (238)

(Figures in brackets pertain to maximum emoluments)

*In these cases only the element of Family Allowance is included in the total emoluments at the *minimum stage*.

The Bank has submitted that the award should only be prospective in its operation. Without prejudice to the aforesaid submission, it has submitted that if retrospective effect was to be given to the award to any extent, it should only relate to wage scales and dearness allowance and that a clear direction should be given that no past payments either by way of deductions or contributions to the provident fund or payment of overtime should be affected.

27.8. On the other hand, the Association and the Union have contended that the demands made could not be regarded as exorbitant or fantastic and that the case of the employees was based on the resolution of the 15th Indian Labour Conference. It was urged on behalf of the Association that dearness allowance paid by the Reserve Bank was not linked to any index number, that the scales asked for were such as were awarded in certain concerns in the country with permissible exaggeration, that exaggerations could have effect only on the question of costs and that retrospective effect should be given to the award, in any event, from the date of the order of reference and that retrospective effect should be given to the award in respect of the following items:—

- (i) Scales of pay and method of adjustment in the scales of pay.
- (ii) Dearness Allowance.
- (iii) Local, House Rent and other allowances, including Family Allowance and Travelling and Halting Allowances.
- (iv) Grant of advance increments to graduates and the grant of increments and honoraria to workmen completion the Institute of Bankers' Examination.
- (v) Introduction of Pension Scheme and whether any changes and adjustments are necessary consequential to the introduction of the Pension Scheme or otherwise in the existing Provident Fund and Gratuity Schemes.
- (vi) Confirmation of temporary employees on completion of six months' service.
- (vii) Hours of work and overtime.

It was urged that persons who had retired during the pendency of the proceedings before the Tribunal should also get the benefit of the award in connection with item (v) enumerated above. On behalf of the Union, it was strongly urged that retrospective effect should be given to the award, that the demands of the employees were based on certain concepts or ideas, that there had been no change in the emoluments for the last seven years, that dearness allowance was very low and that the agreement had terminated many years back.

27.9. I have set out the various demands made by the Association and the Union under various heads in other parts of my award. Some of the demands were not even warranted by the terms of reference. The demands made cannot but be characterised as exorbitant and the Bank would be considered justified in refusing to accept the demands *in toto*. The hearing of this reference was concluded in the month of December, 1961. I thereafter took up the hearing of Reference No. 3 of 1960 in connection with the dispute between numerous banks and their workmen in connection with bonus. Thereafter the work of drafting of the award in Reference No. 1 of 1960 was taken in hand. It took considerable time for drafting the said award in view of the heavy record in that case and the enormous amount of material which was required to be considered. Thereafter the work of drafting the award in Reference No. 3 of 1960 was taken in hand and after the same was finished, the drafting of the award in this reference was taken in hand. Taking every material circumstance into account I direct that, save as otherwise expressly provided, in this award, the same shall come into operation with effect from 1st January, 1962 in respect of the matters following:—

- Scales of pay and method of adjustment in the scales of pay.
- Special Pay.
- Honoraria for obtaining diplomas and passing examinations.
- Officiating pay.
- Dearness Allowance.
- House Rent Allowance.
- Provident Fund.
- Pension and Gratuity.

In respect of all other matters, this award will come into operation on the date when the award becomes enforceable under the provisions of section 17A of the Industrial Disputes Act, 1947. As regards all matters in respect whereof the award will come into operation with effect from the date when it becomes enforceable as aforesaid, all the existing provisions will continue to operate notwithstanding anything herein contained until this award comes into operation in respect of all such matters. For instance, for the purpose of calculation and payment of overtime, the existing provisions will continue to apply from 1st January, 1962, till the date when the award becomes enforceable under the provisions of section 17A, notwithstanding the fact that the new scales of pay, dearness allowance, etc., have come into operation in the meantime.

27.10. A demand has been made both by the Association and the Union that no employee should be adversely affected in any manner whatsoever in respect of all or any of the items of this reference. In Reference No. 1 of 1960 a demand had been made that in no case and at no stage the existing rights and privileges of employees should be adversely affected by the award, and the same was negated by me. The provisions of this award are beneficial to workmen and I have taken care to see that as far as possible no workman is adversely affected by this award. However the demand as made is rejected.

27.11. No claim has been made in respect of "option, if any, to be given to the existing employees to retain their present terms and conditions of service" and I give no directions in connection therewith.

CHAPTER XXVIII

Item No. 21 in Schedule I

ANY OTHER QUESTION CONNECTED WITH OR ARISING OUT OF ITEMS
1 TO 20 IN SCHEDULE I

AND

Item No. 22 in Schedule II

ANY OTHER QUESTION CONNECTED WITH OR ARISING OUT OF ITEMS
1 TO 21 IN SCHEDULE II

28.1. In connection with Item No. 21 in Schedule I the Association has pleaded as under:—

"The Association submits that matters arising out of or connected with this item of reference have been dealt with at the appropriate places, and if any issues arise henceforth the Association craves leave to make submissions in respect thereof at the time of the hearing."

28.2. No directions are required to be given in connection with Item No. 21 in Schedule I to the order of reference.

28.3. The Union has, under this item, claimed relief in respect of the matters hereinafter appearing.

(1) Load of work and list of duties

28.4. The Union has pleaded that this matter is connected with item No. 1 in Schedule II namely, scales of pay and method of adjustment in the scales of pay, and item No. 10, in Schedule II namely hours of work and overtime. It has pleaded that there must be a definite list of duties for each category of Class IV staff "as any extra duty or responsibility imposed on an employee would entitle him either to receive money for the overtime work rendered by him beyond the office hours or to get Special Pay." It has pleaded that at present no specific list of duties for each category in Class IV staff was being maintained by the Bank with the result that an employee belonging to one category was called upon to perform the duties which actually belonged to other categories and has stated that the work of cleaning and dusting which in centres like Calcutta, New Delhi and Kanpur was being done by farashes, was "extracted from the Peons and Mazdoors in centres like Bombay, Nagpur or Trivandrum." It has cited what according to it were instances of increase in the load of work and has submitted that the Tribunal should lay down the load of work and specify the duties for different categories of Class IV staff on equitable principles.

28.5. The Reserve Bank, has, in reply, denied some of the allegations made by the Union and has pleaded that the demand made did not arise out of this term

of reference as the same was not connected with or did not arise out of any other terms of reference.

28.6. At the hearing, the Union filed a statement showing what according to it were the duties of various categories of Class IV staff and what according to it were the extra duties which they were required to perform. The Reserve Bank has submitted that the duties set out by the Union were illustrative and not exhaustive of the duties which the employees were expected and required to perform and has stated that the Union had incorrectly purported to describe "as extra duties" what were part of ordinary duties of Class IV staff, and that Class IV staff were expected to and do perform duties normally expected of these categories. It has denied that any extra duties were required to be performed by Class IV staff.

28.7. In my view, the demands made for laying down the load of work and for specification of duties for different categories of Class IV staff cannot be said to be covered by Item No. 22 in Schedule II. In any event, no evidence has been led before me which would enable me to fix the load of work or to specify with any degree of exactness the duties of different categories of Class IV staff and I give no directions in connection with the same.

(2) Sons of ex-class IV employees

28.8. The Union has demanded that sons of ex-Class IV employees should be given first preference in the matter of employment in Bank's service, and has sought to connect this item with Item No. 6 in Schedule II which runs as under: "Introduction of Pension Scheme and whether any changes and adjustments are necessary consequential to the introduction of Pension Scheme or otherwise in the existing Provident Fund and Gratuity Schemes". The Union has pleaded that this privilege would create a sense of security in the minds of Class IV employees like other retirement benefits.

28.9. The Reserve Bank has submitted that this demand does not come within the terms of reference. Without prejudice to its contention, it has stated that the Bank does not turn down any candidate on the ground that he was a relative of any employee. The Reserve Bank has further pleaded that the demand for first preference was unfair and unreasonable as it would amount to discrimination as there must be equality of opportunity for employment and that the demand should be rejected.

28.10. The demand does not fall within the terms of reference and whatever may be the merits of the demand I am unable to deal with the same.

(3) Promotion Policy

28.11. The Union has sought to connect this question with Item No. 9 in Schedule II which runs as under: "Fixation of pay on promotion to higher grades". It has further pleaded that it also arises out of the question discussed under the heading "load of work and list of duties". It has pleaded that at present the Bank had no policy in the matter of promotion, that since promotions were mostly from one category to another in the same class, the question of merit or efficiency had, in fact, not much relevance, and that at present certain categories of Class IV staff had no avenues of promotion open to them, like sweepers, farashes, liftmen, khitmatgars, durwans and malis. The Union has suggested that posts of head sweeper, head farash, head liftmen, head khitmatgar, head durwan and head mali should be created at all centres, that duffries who perform the work of "matching, arranging and merging of original, duplicate, triplicate and quadruplicate G.R. I, G.R. II and G.R. III and P.P. forms, should be designated as record clerks and pay and allowances of that grade should be paid to them." It has further pleaded that all record clerks should be paid allowances on par with clerks grade II, that senior Class IV employees who have experience of work as duffries and possess the requisite knowledge and skill should be entitled to promotion as filing clerks, that some members of Class IV staff who have at least passed Matriculation or an equivalent examination should be promoted to the Class III grade in the first available vacancies and that members of Class IV

staff who are sufficiently literate and intelligent should be given preference in filling up vacancies in the Cash and Verification Departments as coin/note examiners and clerks respectively.

28.12. The Reserve Bank in reply has submitted that the demands made do not arise out of this term of reference. Without prejudice thereto, it has submitted that promotion was a managerial function and the Bank was the best judge of the efficiency and suitability of an employee for promotion, that the Bank followed the principle of seniority-cum-merit and that the demand for creation of new cadres, apart from not being covered by this reference, was unreasonable and unjustified, even on merits. It has pleaded that there was no justification for the demand that certain duffries should be designated as record clerks and paid accordingly. It has pleaded that the demands made were unjustified and unreasonable.

28.13. The demands are not covered by any of the items under reference, and I give no directions in connection with the same.

(4) Efficiency Measures

28.14. The Union has sought to connect the demand made under this head with Item No. 10 in Schedule II namely, "hours of work and overtime". Under this head, the Union has submitted that in place of wooden stools supplied at present to Class IV staff for sitting purpose, cane chairs or cane stools should be provided.

28.15. The Reserve Bank has pleaded that the demand did not arise out of this term of reference and that the demand for cane chairs or cane stools was unreasonable and should be rejected.

28.16. The demand made is not covered by the terms of reference and I give no directions in connection with the same.

(5) Leave Reserves and Weekly Offs

28.17. The Union has pleaded that "the issues 'Leave Reserve' and 'Weekly off' are interdependent and connected with Item No. 11 as well as Item No. 5 of the terms of Reference".

Item No. 5 in Schedule II relates to "Leave Fare Concession" and item No. 11 in Schedule II relates to "grant of sick leave, extraordinary leave and accident leave and notice required for granting of ordinary leave."

The Union has pleaded that the Bank does not maintain adequate staff as leave reserves with the result that sometimes ordinary leave is not sanctioned to an employee in time even if he gives a month's prior notice to the Bank. It has also pleaded that night duty durwans who have to remain on duty even on Sundays and holidays, do not always get regular weekly offs. It has submitted that leave reserves should be increased by 50 per cent. so as to meet the leave requirements of Class IV employees and enable the Bank to allow regular weekly offs to night durwans.

28.18. The Reserve Bank in reply has pleaded that the demand does not fall within this term of reference. Without prejudice thereto, it has stated that leave reserves maintained are adequate and has denied that regular weekly offs are not given. It has submitted that the demand with regard to leave reserves was unreasonable and should be rejected. The Bank has filed a statement showing that leave reserves are provided at the rate of 12½ per cent. of the permanent staff strength at each office, that leave reserves are also provided at the same rate in respect of temporary posts which have been in existence for one year or more and are likely to be retained and that if at any time more than 20 per cent. of leave reserves (clerical or subordinate) are on leave preparatory to retirement or on long leave, i.e., on leave for more than four months, additional temporary staff are sanctioned for the duration of such leave.

28.19. No case has been made out for giving any directions to the Bank under these heads and I give no directions to the Bank in connection with the demand made. In view of the fact that I am not giving any directions, it is not necessary for me to decide the question whether the demand falls within the ambit of the terms of reference or not.

CHAPTER XXIX

*Item No. 22 in Schedule I.**Item No. 23 in Schedule II.*

SPECIAL POSITION OF THE RESERVE BANK AS THE CENTRAL BANK OF THE COUNTRY

29.1. The Association has stated that it has no dispute on this count with the Bank and that this item does not constitute an industrial dispute which requires to be adjudicated upon. The Union has also stated that there has been no dispute on this count and that this item does not constitute an industrial dispute which requires to be adjudicated upon.

29.2. In this connection, the Reserve Bank has submitted that when considering the demands made, the Tribunal should bear in mind the special position of the Reserve Bank as the central bank of the country and its special functions and the obligations placed on it by statute. It has pleaded that the Tribunal will particularly have to bear this in mind, in connection with the pay-scales, allowances, hours of work and overtime, the Bank's submission being that emoluments should not be seriously out of line with those extended to Central Government employees, or out of step with those paid to employees in commercial banks.

29.3. There is no dispute between the parties as regards the special position of the Reserve Bank as the central bank of the country and the great and important role it plays in the affairs of the nation. I have already discussed the constitution and functions of the Reserve Bank in the earlier part of this award. In making my award I have borne in mind the special position of the Reserve Bank as the Central Bank of the country.

CHAPTER XXX

COSTS

30.1. Applications were made on behalf of the Association and the Union for payment of costs incurred by them in connection with this reference. In this reference, considerable material has been placed before me and considerable costs have been incurred by the parties appearing before me. The Bank has paid travelling allowance to several representatives of workmen for attending the proceedings before the Tribunal and for halting in Bombay in connection with those proceedings. It has also defrayed a part of the costs incurred by the Association and the Union in connection with the proceeding before me. Taking everything into consideration, I direct that there will be no order as to costs.

CHAPTER XXXI

ACKNOWLEDGMENTS

31.1. In the end, I wish to acknowledge the great help received by me at the hearing of this reference from counsel, solicitors, advocates and representatives of the parties appearing before me. I am thankful to them for the way in which they conducted the proceedings before me. They have worked hard and long and placed considerable material before me. They have been of great assistance to me and but for their help and assistance I would not have been able to do full justice to the matter.

31.2. I wish to acknowledge the valuable services rendered by Shri B. D. Upasani, Secretary of the Tribunal, who is well-versed with the Industrial Disputes Act, 1947 and the procedure thereunder and who gave me great assistance throughout the period I was working as the Presiding Officer of the Tribunal and by Shri S. G. Kulkarni, my Private Secretary, who rendered very useful and satisfactory service. Shri B. N. Dholakia, my stenographer, who worked competently, deserves special mention. All of them spared no pains in the discharge of their duties and have worked willingly on a number of Sundays and holidays.

Sd./- KANTILAL T. DESAI,
Presiding Officer,
National Industrial Tribunal,
(Bank Disputes).

Dated 8th September 1962.

APPENDIX "A"

GOVERNMENT OF INDIA

MINISTRY OF LABOUR AND EMPLOYMENT

Dated New Delhi, the 21st March, 1960.

ORDER

S.O. 707.— Whereas the Central Government is of opinion that an industrial dispute exists between the Reserve Bank of India and its workmen in respect of the matters specified in Schedules I and II hereto annexed which are either matters in dispute or matters connected with or relevant to the said dispute and that the dispute involves questions of national importance;

And whereas the Central Government is of opinion that the dispute should be adjudicated by a National Tribunal;

Now, therefore, in exercise of the powers conferred by sub-section (1A) of section 10 of the Industrial Disputes Act, 1947 (14 of 1947), the Central Government hereby refers the said dispute to the National Tribunal constituted by the notification of the Government of India in the Ministry of Labour and Employment No. S.O. 704, dated the 21st March, 1960 for adjudication.

SCHEDULE I

Matters between the Reserve Bank and its workmen, being Class II and Class III staff

1. Scales of pay, and method of adjustment in scales of pay.
2. Dearness Allowance.
3. Local, House Rent and other allowances including Family Allowance and Travelling and Halting Allowances.
4. Grant of advance increments to graduates and the grant of increments and honoraria to workmen completing the Institute of Bankers' Examination.
5. Payment of tax on profession by the Bank on behalf of its employees.
6. Leave Fare Concession.
7. Introduction of Pension Scheme, and whether any changes and adjustments are necessary consequential to the introduction of the Pension Scheme or otherwise in the existing Provident Fund and Gratuity Schemes.
8. Need for maintenance of combined seniority list at each centre.
9. Medical aid and expenses.
10. Confirmation of temporary employees on completion of six months' service.
11. Fixation of pay on promotion to higher grades.
12. Rates of work in the Verification Sections and Note Examination Sections, including the Note Cancellation Sections.
13. Extent to which Staff Canteens should be subsidised, and the terms and conditions thereof.
14. Establishment of grainshops.
15. Hours of work and Overtime.
16. Cash deposits, guarantee bonds and other securities to be furnished by the staff.
17. Categorisation of workmen to whom the award of the Tribunal should be applicable.
18. Procedure for the termination of employment and taking other disciplinary action, including the claim of the Reserve Bank Employees' Associations to defend individual employees in disciplinary proceedings.
19. The claim of the Reserve Bank Employees' Associations to represent individual grievances of workmen.
20. Date of effect of the new Award and option, if any, to be given to the existing employees to retain their present terms and conditions of service.

21. Any other question connected with or arising out of the foregoing matters.
22. Special position of the Reserve Bank as the Central Bank of the country.

SCHEDULE II

Matters between the Reserve Bank and its workmen, being Class IV Staff.

1. Scales of pay, and method of adjustment in scales of pay.
2. Local pay.
3. Dearness Allowance.
4. House Rent and other allowances including Family Allowance and Traveling and Halting Allowances.
5. Leave Fare Concession.
6. Introduction of Pension Scheme, and whether any changes and adjustments are necessary consequential to the introduction of the Pension Scheme or otherwise in the existing Provident Fund and Gratuity Schemes.
7. Medical aid and expenses.
8. Confirmation of temporary employees on completion of six months service.
9. Fixation of pay on promotion to higher grades.
10. Hours of work and overtime.
11. Grant of sick leave, extraordinary leave and accident leave and notice required for grant of ordinary leave.
12. Age of retirement.
13. Conversion of part-time posts into full-time posts.
14. Provision for insurance against risk of injury or death.
15. Uniform and Liveries.
16. Extent to which staff canteens should be subsidised, and the terms and conditions thereof.
17. Establishment of grainshops.
18. Suspension and allowance during suspension.
19. Procedure for the termination of employment and taking other disciplinary action, including the claim of the Reserve Bank Employees' Unions to defend individual employees in disciplinary proceedings.
20. The claim of the Reserve Bank Employees' Unions to represent individual grievances of workmen.
21. Date of effect of the new Award and option, if any, to be given to the existing employees to retain their present terms and conditions of service.
22. Any other question connected with or arising out of the foregoing matters.
23. Special position of the Reserve Bank as the Central Bank of the country.

Sd./- P. M. MENON,
Secretary.

[No. LRII-10(46)/60.]

APPENDIX 'B'

LIST OF APPEARANCES

For Workmen

1. Shri D. S. Nargolkar, Advocate, for the All India Reserve Bank Employees' Association.
2. Shri K. T. Sule with Shri V. K. Tembe, Advocates for the All India Reserve Bank 'D' Class Employees' Union.
3. Shri C. L. Dudhia, Advocate for the Reserve Bank Karmachari Sangh, Kanpur.

For Bank

Shri N. A. Palkhivala, Counsel, instructed by Shri R. Setlur of Messrs. Crawford Bayley and Co., Solicitors, for the Reserve Bank of India.

APPENDIX 'C'

BEFORE THE NATIONAL INDUSTRIAL TRIBUNAL (BANK DISPUTES),
AT BOMBAY

IN REFERENCE No. 2 of 1960

- (1) *Miscellaneous Application No. 1 of 1960, dated 24th May 1960.*
The All India Reserve Bank 'D' Class Employees' Union, C/o The Reserve Bank of India, Bombay—Applicant.

Versus

The Reserve Bank of India, Mint Road, Bombay—Opponent.

- (2) *Miscellaneous Application No. 3 of 1960, dated 25th May 1960.*

The All India Reserve Bank Employees' Association, C/o The Reserve Bank of India, Bombay—Applicant.

Versus

The Reserve Bank of India, Mint Road, Bombay—Opponent.

In the matter of Applications regarding grant of INTERIM RELIEF.

PRESENT:

The Honourable Shri Justice K. T. Desai, Presiding Officer, National Industrial Tribunal (Bank Disputes), Bombay-1.

APPEARANCES:

For the Applicants:

Shri V. K. Tambe, Advocate, in Miscellaneous Application No. 1 of 1960.

Shri D. S. Nargolkar, Advocate, in Miscellaneous Application No. 3 of 1960.

For the Opponent: (In both the Applications):

Shri N. A. Palkhivala, Counsel instructed by Shri R. Setlur of Messrs. Crawford Bayley and Co., Solicitors, for the Reserve Bank of India.

INDUSTRY: BANKING

Bombay, 29th December 1960.

INTERIM AWARD

1. The All India Reserve Bank 'D' Class Employees' Union on behalf of the employees belonging to Class IV of the Reserve Bank of India has made an application for the grant by way of interim relief to Class IV employees of 25 per cent of the total emoluments with a minimum of Rs. 25 with effect from 1st January 1958. The All India Reserve Bank Employees' Association, Bombay, on behalf of the employees belonging to Classes II and III of the Reserve Bank of India has made an application for payment by way of interim relief to all the employees of 25 per cent of the basic pay with effect from July 1959.

2. These applications have been strenuously contested on behalf of the opponent Bank.

3. The present emoluments of the employees of the Reserve Bank of India are not governed by any award of any Tribunal. In the year 1953 the Sastry Tribunal gave its award fixing certain scales of pay and dearness allowance for the employees of numerous banks. The parties to the reference filed appeals from the decision of the Sastry Tribunal before the Labour Appellate Tribunal. In the month of April 1954 the decision of the Labour Appellate Tribunal was published. On 18th May 1954 the All India Reserve Bank Employees' Association submitted to the authorities of the Reserve Bank of India a charter of demands relating to pay scales and allowances. On 21st May 1954 the All India Reserve Bank 'D' Class Employees' Union also submitted its demands relating to the pay scales and allowances. A conciliation conference was held in September/October 1954 when discussions were held between the authorities of the Reserve Bank of India and the representatives of the All India Reserve Bank Employees' Association and an agreement was arrived at whereunder new scales of pay were fixed with retroactive effect from 1st October 1953. In the month of November 1954 a conciliation conference was held by the authorities of the Reserve Bank of India with the representatives of the All India Reserve Bank 'D' Class Employees' Union and an agreement was arrived at whereunder new scales of pay were fixed with retroactive effect from 1st October 1953. These agreements were to remain in force for a period of 3 years.

4. Thereafter with effect from 1st April 1955 the Reserve Bank of India extended the benefit of local pay to the staff at Kanpur. Effective from 1st July 1957 the rate of family allowance for Class IV employees was increased to Rs. 7-50 per child per month subject to a maximum of Rs. 22.50 per mensem. Effective from 1st January 1958 the Bank granted an increase of Rs. 5 per month in dearness allowance to all Class IV employees. Effective from the same date the Bank granted an increase in dearness allowance to Class III staff, varying between Rs. 7-50 and Rs. 15 according to the pay slab. Effective from 1st January 1959 the Bank increased the dearness allowance by Rs. 5 per month of all Class IV employees. Effective from the same date, the dearness allowance was increased in respect of Class III staff, varying between Rs. 7-50 and Rs. 15 according to the pay slab. Class II employees drawing a basic pay upto Rs. 500 were allowed from 1st January 1959 an increase of Rs. 15 per mensem in their dearness allowance.

5. The Reserve Bank of India has from time to time sanctioned various facilities to its employees. These facilities compare favourably with the facilities granted in other Banks under the Sastry Award. The Sastry Award prescribed the employer's as well as the employee's contribution to the provident fund at the rate of 8 per cent, whereas the rate of such contribution in the Reserve Bank of India is 10 per cent. The Reserve Bank of India further permits its employees to contribute an additional 10 per cent to the provident fund. There are various other facilities and allowances granted by the Reserve Bank of India which have been set out at some length in the reply of the Reserve Bank to the aforesaid applications. It is not, however, necessary to refer thereto. Suffice it to say that the total emoluments and benefits received by the employees of the Reserve Bank of India compare favourably with the total emoluments and benefits received by the employees of most of the A Class Banks in Area I under the Sastry Award, as subsequently modified.

6. It has been strenuously urged before me on behalf of the employees that since the date of the agreements of 1954 there has been a considerable rise in the All India Consumer Price Index No. for the working class. The All India Average Consumer Price Index No. for the year 1954 (Base 1949=100) was 101, for the year 1955 was 98, for the year 1956 was 105, for the year 1957 was 111, for the year 1958 was 116, for the year 1959 was 121 and for the first six months of 1960 it was 122.3. It is urged that the two increases in dearness allowance granted by the Bank are not sufficient to counteract the effect of the increase in prices; that there has been an erosion in the purchasing power of money given as and by way of wages to the employees of the Bank and that considerable hardship has been caused to the employees, which needs to be alleviated by the grant of interim relief. It is further urged that having regard to the recommendations of the Second Pay Commission the emoluments of the Central Government employees have been raised and that under the various awards given by Tribunals the total emoluments of employees in comparable concerns have also increased. It is urged that since the year 1954 when the aforesaid agreements were arrived at the principles of minimum wage fixation and the concept of minimum wage

have undergone a sweeping change in favour of the employees and that the wage structure of the employees of the Reserve Bank of India called for a substantial upward revision. It is further urged that there has been an increase in the national income, that the Reserve Bank of India had capacity to pay to its employees fair wages and that it was under an obligation to pay the same. It was urged that the Reserve Bank of India has set a higher standard for itself and should, having regard to the change in the circumstances, pay higher emoluments to its employees. It is pleaded that the adjudication by the Tribunal is likely to take a long time and that the employees should be given immediate relief by way of interim relief.

7. The Bank on the other hand contends that the emoluments of its employees must not be seriously out of step with those of the Central Government employees and must be related to those given to commercial Bank employees. The Bank further states that the demands of the All India Reserve Bank 'D' Class Employees' Union, if conceded, would involve an increase of about 100 to 200 per cent over the existing emoluments which were already higher than those recommended for the Government servants by the Central Pay Commission. It is stated that the demands of the All India Reserve Bank Employees Association, if conceded, would involve an increase of about 100 to 150 per cent over the existing emoluments which were already higher than those recommended for the Central Government employees. It has been further stated by the Bank that as a matter of fact it reviews the position of the dearness allowance paid by it in the light of the increase in the cost of living index and gives relief whenever justified. It is stated in the affidavit of Sankara Narayan Swamy, Deputy Chief Accountant of the Reserve Bank of India, dated 2nd September 1960, that in reviewing the position from time to time, the Bank also takes into account the total emoluments of employees of commercial banks. It is urged on behalf of the Bank that the relief claimed by way of interim relief is such as would involve a determination of some of the main issues arising in the Reference for adjudication and that no case has been made out for the grant of interim relief.

8. In the course of the arguments advanced before me on behalf of the All India Reserve Bank Employees Association strong reliance was placed on behalf of the employees on a passage from the speech of a former Governor of the Bank at informal discussions which took place between him and the office bearers of the Association on 23rd May 1946 when it was stated as follows :—

“.....the Governor and the Directors were prepared always to view the cause of the staff sympathetically and have already laid down a policy that we should be prepared to give our staff slightly more than what other comparable institutions are prepared to pay, thus giving a lead to a policy of enlightened employment of white collar labour.”

Shri Palkhivala, the learned counsel for the Bank, however urged that the employees when they come before a National Tribunal for adjudication of their claims cannot rely upon such passages and invoke past grace shown by the Bank and contended that the Tribunal was concerned with the fixation of a wage level as a matter of industrial law. He urged that the scales of pay of the Reserve Bank of India did not fall below the average A Class Banks and that the scales of pay of the Reserve Bank were higher even if the two months bonus paid by some of the Banks was taken into account. He urged that the scales of pay which were linked up with an index number cannot be compared with those not so linked up, as in the case of the Reserve Bank.

9. There is no agreement as regards the principles on which the wage structure should rest. The matters raised before me are of considerable importance and require proper data and evidence for the due determination thereof. The determination of all matters referred to me in the Reference will not now take a very long time. The present scales of pay and allowances are not such as would necessitate the grant relief without further evidence and without due determination of the matters referred to me for adjudication. Enough material has not been placed before me to warrant the grant of interim relief. After the matters have been heard fully, if the case warrants, a provision can be made for giving effect to some of the provisions of the award from a date earlier than the date of the award.

10. I am not discussing at present the various matters which have been argued before me for the purpose of the grant of interim relief, as that may tend to prejudice the hearing of the main Reference before me. On the materials placed before me, I am unable to give any interim relief.

11. In the result, no relief by way of interim relief is granted in any of the above applications.

Sd./- KANTILAL T. DESAI,
Presiding Officer,
National Industrial Tribunal,
(Bank Disputes), Bombay-1.
[No. 56(12)/62-LRIV.]
P. M. MENON, Secy.